



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
REGULAR MEETING
TUESDAY, JANUARY 17, 2023 – 5:00 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Regular Meeting on Tuesday, January 17, 2023 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, Assistant Town Manager Christy Ferguson; Public Works Director Chris Clemmons; Budget & Fiscal Analyst Daniel McRaine; Lieutenant Frank Dilworth and Fire Assistant Chief David Ward. Commissioner Gerald Arnold was unable to attend the meeting.

Mayor Holden asked for a moment of silence and then called the meeting to order. He explained Commissioner Arnold had cataract surgery today and was unable to attend.

PLEDGE OF ALLEGIANCE

AGENDA APPROVAL

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

APPROVAL OF MINUTES

Motion by Commissioner Murdock to approve the minutes of December 20, 2022; second by Mayor Pro Tem Smith; approved by unanimous vote.

PUBLIC COMMENTS ON AGENDA ITEMS

Jim Bauer suggested selling the property owned at 796 Ocean Boulevard West. The new owners would be aware of the pump station next door. He said it would be an income stream for the Town and it would lessen liability.

Phil Caldwell stated he is a proponent of parking fees for control of future island use, but not for revenue generation. He said parking may be expensive for some non-property owners. He suggested having some spaces designated as free on a first come first serve basis. He added it would be good PR to designate a few free boat trailer parking spaces. Mr. Caldwell said the property owners should not be charged for parking on the island.

Town Clerk Finnell said there were public comments posted online also.

UPDATE ON BULKHEADS – SHANE LIPPARD, RIGHT ANGLE ENGINEERING

Mr. Lippard said there was surveying and a wetland delineation completed that helped delineate where the bulkheads could be placed. The total bulkhead length in both areas is a little over 700 feet. He checked with Will Richardson to get average prices. An average linear foot price is close to the \$350 range for this type of bulkhead. There will need to be some selective clearing on the site, site stabilization/erosion control and mobilization. They also normally put a contingency in there to look at it from a good programmatic aspect. A preliminary estimate for the two properties would be in the \$300,000 range, which would be a good programming number. That is as of today, construction prices tend to fluctuate.

Commissioner Kwiatkowski said she doesn't see the need to do anything in the 700 block, little piece of property. It wouldn't provide enough space to use for any type of parking and is not close to a walkway. She would focus on the 800 block. She suggested that before the Board does anything further, we need to understand how many parking spaces there would be and how the flow would work. Commissioner Dyer said she thinks the general consensus is for no parking in the 800 block. There is already parking in the 700 block and most of the public concern is to leave that area green. Commissioner Kwiatkowski said if we don't put parking in the 800 block, then doing a lot at 796 OBW for restroom and facilities becomes a question mark. She added the 800 block provides more down island parking. She explained how this could be helpful if the Town gets a 50-year plan from the Corps. Parking for the project was discussed. How to move forward was discussed.

Commissioner Murdock said the Board had these properties delineated to preserve them. He stated the Town is losing property to erosion in the 800 block. He doesn't think there is a person on the Board right now that wants to put in a parking lot, we don't have a plan. If it becomes something the Town needs to do in the future for the Corps' project, we will have that option if the property is still there. Bulkheading is a way to preserve the property. The Town needs to plan for the future. Mr. Lippard explained this is an engineering preliminary estimate. It would need to go to bid. Town Manager Hewett stated we haven't proceeded in acquiring a CAMA permit. To do that, we need a design. If that is the intent of the Board, we need to detail that now so Mr. Lippard can work on a design. How long the permit is good for was discussed. Mr. Lippard will find out and the clerk will email the Board with the information. Mayor Pro Tem Smith said he lives across the street from the area. It has eroded no more than a couple of feet. He doesn't see the urgency in bulkheading it.

Town Manager Hewett said staff will get the type of permit required and life cycle of the permit to the Board.

DISCUSSION AND POSSIBLE ACTION ON DELINEATION OF PARCOURSE AREA

Commissioner Murdock said it is eroding in the area by the parcourse. We haven't had it delineated. He proposed the Town do that to get a baseline of where we are it.

Motion by Commissioner Murdock that we delineate the wetlands the entire length of the parcourse; second by Mayor Pro Tem Smith.

Mayor Pro Tem Smith agreed with Commissioner Murdock. He explained why he thinks doing the delineation is important.

The motion passed by unanimous vote.

DISCUSSION AND POSSIBLE APPROVAL OF RESOLUTION 23-01, RESOLUTION DECLARING COST AND ORDERING PRELIMINARY ASSESSMENT ROLL AND SETTING TIME AND PLACE FOR PUBLIC HEARING ON PRELIMINARY ASSESSMENT ROLL FOR THE IMPROVEMENT OF SEAGULL DRIVE

Town Clerk Finnell explained Seagull Drive was recently paved using the special assessment process of North Carolina General Statute Chapter 160A, Article 10. All costs are in and total \$222,630. The next step required is for the Board to adopt the assessment resolution which will direct the administrative actions needed to begin the collection process. March 14th is the recommended public hearing date.

Motion by Commissioner Kwiatkowski to approve Resolution 23-01; second by Commissioner Murdock.

Mayor Pro Tem Smith asked if another motion is needed to set the public hearing. Town Clerk Finnell responded no, it is included in the resolution.

The motion passed by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON 796 OCEAN BOULEVARD WEST PRELIMINARY PLANS – DAVID WOOD, DAVID WOOD INC. HOME DESIGNS

Assistant Town Manager Ferguson provided background on the property and introduced Mr. Wood. Mr. Wood reviewed his proposed plan. On the first floor there is a small kitchenette on the left side. There is a storage room next to it. The second floor can be used as storage, office space or whatever the Board chooses. The ground level has two showers on the left and two handicapped bathrooms on the right side. There are rollup doors. The Board can decide what to do with the storage area.

Mayor Pro Tem Smith asked if 11 parking spaces will be enough to support a recreation facility. He thinks the restroom facilities on the ground floor are good if there is a major access in the area. He said for the rest, the Board may need to hold off until we have the revenue to do it. Assistant Town Manager Ferguson explained the Parks & Recreation Advisory Board looked at the community center in Ocean Isle, she doesn't think there is more than 11 spaces. The idea was that there would be drop offs for birthday parties and rentals so you wouldn't need as many spaces. Mayor Pro Tem Smith asked what kind of revenue is expected. Assistant Town Manager Ferguson said she would think it would be \$100 - \$150 to rent an indoor space.

Commissioner Dyer inquired if it would be possible for the bathroom out front to be an open area so it could be used to wash toys, people's feet and things like that. She asked if it would be a good option for yoga and Turtle Talk. Assistant Town Manager Ferguson replied a contract staff person carries their own liability insurance so that would be okay. She would need to find out about the turtle program.

Commissioner Kwiatkowski questioned if the location would be a good place to lease beach wheelchairs. Assistant Town Manager Ferguson explained that takes a lot of coordination and staff effort. It is an intensive staff and maintenance program. Commissioner Kwiatkowski asked if it could be a central location for beach rangers. Assistant Town Manager Ferguson responded yes.

Commissioner Kwiatkowski said we have the rendition and understand the possibilities. The fact that something was budgeted for an engineer assessment, she would propose the Board hold that money for now. She suggested holding it until the Board gets some other stuff done. Assistant Town Manager Ferguson inquired how to move forward. The engineering assessment is \$40,000. Mayor Pro Tem Smith thinks the 40,000 would be better used to paint, do the steps and fix the air conditioning unit. He said due to other projects that would take precedent over this, we would need to maintain the facility and use it to rent for income purposes, then take a look at it again to see if it could be worked in the following year. The concept is great. Commissioner Kwiatkowski agreed that the Board should rehabilitate the building and then the first half of the next fiscal year we can do the engineering. Commissioner Dyer asked if the air conditioning units could be used when the building is converted if the Town replaces the air conditioning units now. Inspection Director Evans explained when you convert the building it would be from a residential occupancy to a business occupancy. Business occupancy requirements are different and the HVAC system will need to be configured differently. You would need to do a full plan to determine how to put the HVAC in there for business occupancy. Commissioner Murdock said we are currently pricing replacing the two HVAC units and doing some repairs to the house. He said it seems if something new was to be put in you would try to do it at this point. It would be redundant if they move forward in two years and have to pull out the current system that we would be putting in. Inspections Director Evans said the Board asked for it to be improved to be rented and at the same time there is conceptual drawing going on. Staff would not be able to plan for a future upgrade that has not been approved yet. Commissioner Murdock said if the Board decided to move forward in the near future with something like this, it would be advisable to figure what needs to be put in so we wouldn't be wasting money. He thinks the Board will run into budget and time constraints trying to get it done by the summer. The Board discussed how to move forward. Town Manager Hewett asked if the Board would like Mr. Wood to make the revision to the architectural renderings for the shower and handicap bathrooms as Commissioner Dyer suggested with the outside access. The Board agreed to move forward with the change.

Mayor Holden summarized the architect will redraw per the Board's discussion. The HVAC estimated price will be in January 19th. We will have more information next month.

REQUEST FROM TRI-BEACH FIRE DEPARTMENT TO UPGRADE STATION #2 ON HOLDEN BEACH – ASSISTANT CHIEF DAVID WARD

Town Manager Hewett introduced Assistant Chief David Ward. Assistant Chief Ward said they had a busy year. He provided a handout (hereby incorporated into the minutes). It was the most calls they answered during his tenure. He went over fire station locations, apparatus/equipment and personnel. He reviewed call volume and average response times. Assistant Chief Ward said the station on the island has been staffed Memorial Day to Labor Day during daytime hours. The station is older and doesn't have sleeping quarters or a place to prepare a meal. Fire stations are strategically located to provide the best response. You can see in the data that the call volumes are increasing. He stated they want to do planning so they can adequately provide protection to all citizens.

Mayor Holden asked about the upgrade of the station on Sabbath Home. Assistant Chief Ward explained they did get through the engineering process. It was sent out for bids and they came back much higher than the budget so the project has been delayed while waiting for the market to come back down. Mayor Holden inquired if there are options to relocate the station on the island based on the current regulations for location. Assistant Chief Ward said there are mileage requirements. They would need to study that in depth it to see where it could be placed. Mayor Holden asked him to find that information out for the Board. Mayor Pro Tem Smith asked if they would answer calls on the mainland if it was staffed 24 hours a day. Assistant Chief Ward replied yes and explained how they respond to calls. Inspections Director Evans stated the building is part of the Town's Hazard Mitigation Plan and is recognized as being an issue. If the Town decides to improve it, it will help with the CRS Program. It is a critical facility. The demographics are changing. He said we have more people here to service during the winter. Commissioner Kwiatkowski said it is hard to make that location flood resistance. She thinks there is a lot of discussion that needs to happen and inquired if a small group should be established to look into this. Inspections Director Evans said it is a critical facility so there may be some money available to bring it out of the flood zone. He would like to be involved with the process. Mayor Holden said the equipment in the past was much smaller than what is used now. Mayor Pro Tem Smith agreed the Board needs to put a little more effort into this before a decision is made.

Town Manager Hewett asked if the Board would like to direct the assemblage of a committee to work with the Fire Department. Mayor Holden suggested that the Town get information from Assistant Chief Ward first so we know what the options are.

POLICE REPORT – LIEUTENANT DILWORTH

- Provided information on the calls.

Mayor Pro Tem Smith asked if there is an uptick in people taking construction materials. Lieutenant Dilworth responded not that has been reported.

INSPECTIONS DEPARTMENT REPORT – INSPECTIONS DIRECTOR EVANS

- Last month said there was downwards trend in the number of new residential construction. Since then, had six new so it is back up. Went over numbers in the report.
- Between the staff, believes they have over 60 contact hours for education this year. Preparing for next year. Building Inspector Redwine has one certification and is taking the classes for her second one. Lucky to have the staff we have over there.

DISCUSSION AND POSSIBLE RESPONSE TO PARKING PROGRAM TASKER

The Board reviewed the staff response provided to the Board's parking tasker. Jim Varner and Jack DeSantos joined staff in developing the response. The Board discussed the items line by line. Lieutenant Dilworth said the Police Department supports the document provided.

After discussion the Board agreed to the following changes to the paid parking program: update the contract with Otto Connect regarding the way boat trailers without tags are handled; increase fees to \$4 per hour, \$20 per day, \$80 per week and \$150 one vehicle/\$300 two vehicles annual pass; and delegate Otto Connect to work with staff to install signage. The Board would also like Otto Connect to work with staff to do a street-by-street assessment of signage.

DISCUSSION AND POSSIBLE ACTION ON PROPOSED BUDGET/QUARTERLY MEETING SCHEDULE

Town Manager Hewett reviewed the proposed schedule which includes the dates of February 23rd, March 16th, April 20th, June 1st, June 15th, September 21st and December 21st.

Motion by Mayor Pro Tem Smith that we approve the budget and quarterly meeting dates as written; second by Commissioner Kwiatkowski.

Mayor Holden said some of those dates he would be unable to attend.

The motion was approved by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON SETTING BOARD OF COMMISSIONERS' OBJECTIVES FOR FISCAL YEAR 2023 - 2024

Commissioner Kwiatkowski suggested starting with everything the Board already has delineated as priority projects as core and then add things members feel are important for next year. Mayor Pro Tem Smith agreed the list from last time is a good starting point. The Board will get the additions to Town Clerk Finnell by February 9th. She will send the current list to the Board.

DISCUSSION AND POSSIBLE ACTION ON PROPOSALS RECEIVED IN REPSONSE TO THE TOWN'S REQUEST FOR QUALIFICATIONS FOR WATER SYSTEM INVENTORY AND ASSESSMENT

Public Works Director Clemmons explained staff solicited qualifications from firms for engineering services to develop a systemwide asset inventory and assessment of the Town's water system, with the specific goal of evaluating the adequacy of distribution, fire flows, storage and the need for a second water tank. The Town received responses from McGill Associates, Green Engineering and WithersRavanel. In accordance with federal uniform guidance, staff prepared a ranking sheet. If the Board makes selection, they can direct staff to bring a contract back for consideration.

DISCUSSION AND POSSIBLE ACTION ON ITEMS NECESSARY TO IMPLEMENT RECOMMENDED CHANGES TO PERSONNEL PAY PLAN

Town Manager Hewett explained the Board asked for a salary analysis to be performed regarding all of the Town's positions. The criteria developed utilized surveying like communities that are close by to establish new salary ranges, in addition to new salary rates for employees. He provided information on the specific methodology to implement the proposal. All of the supporting data to include a new finance officer position, a budget amendment to fund the revisions to the pay plan and the personnel salary changes is included in the packet. It is recommended to make the changes effective January 1, 2023. The total cost to implement is \$238,400, with the cost being \$119,200 with the effective date of

January 1st. Also, part of that is the Classification and Pay Plan update, along with the specific proposed salary changes for individuals and the town manager's contract revision. In order to put this into place, the Board would need to approve all three of the details outlined in the memo. There would be a follow-on action of a new employment agreement with the new finance officer.

Motion by Mayor Pro Tem Smith that we approve all three (Budget Amendment to fund revisions to pay plan and personnel salary changes, Classification/Pay Plan update and associated personnel changes and town manager contract revision); second by Commissioner Murdock.

Commissioner Murdock explained the Board has the pay scales from an average of eight surrounding communities. We have been grossly underpaying most of our staff. He thanked the staff for sticking with the Town. He said this has been a long time coming and with the cost-of-living increases, he is happy to see this is on the table. Mayor Pro Tem Smith agreed it has been a long time coming. We have some really good people and don't want to lose them to our surrounding municipalities because of poor pay. He feels it is a step in the right direction. Commissioner Kwiatkowski pointed out a big part of what kicked this off was the Board's desire to separate the finance officer's responsibilities from Town management. Town management is a lot more than it was five – 10 years ago. We have a lot of things going on that we need the manager to focus on. She said we had a mini reorganization that was going on and it was a good time to also do a pay evaluation. She thinks it is coming at a good time and is well deserved.

The motion passed by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON PROPOSALS RECEIVED IN REPSONSE TO THE TOWN'S REQUEST FOR QUALIFICATIONS FOR WATER SYSTEM INVENTORY AND ASSESSMENT

After the results were tallied, Mayor Holden announced that Green Engineering received the highest score.

Motion by Mayor Pro Tem Smith to direct staff to recognize Green Engineering and to bring back to the Board of Commissioners a contract for consideration; second by Commissioner Kwiatkowski; approved by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON ESTABLISHING A REGULAR SCHEDULE FOR A FACILITY CONDITION INSPECTION OF TOWN-OWNED PROPERTIES AND FACILITIES WHICH ARE PRIMARILY USED BY THE PUBLIC

Commissioner Kwiatkowski stated we have gotten to a point where an equipment assessment schedule should be put together that ensures facilities and equipment that the public uses frequently have a regular formal assessment by defined parameters. She proposed that the Town consider putting together a facility/public equipment assessment program. The first step would be to ask the town manager to organize a list of relevant properties, facilities and equipment that are highly used by the public and the suggested frequency of assessment of those. She suggested having it in April, but if the town manager needs more time that is fine. Town Manager Hewett stated staff can develop a list of facilities and come back with some suggestions on how to better organize our management efforts and upkeep of those.

DISCUSSION AND APPOINTMENT OF COMMISSIONER TO SERVE ON AUDIT COMMITTEE

Motion by Mayor Pro Tem Smith that we continue to allow Commissioner Kwiatkowski to be our commissioner on the Audit Committee.

The Board came to a consensus that Commissioner Kwiatkowski will serve on the Audit Committee.

PUBLIC COMMENTS ON GENERAL ITEMS

No comments were made.

TOWN MANAGER'S REPORT

- Went over budget slides (hereby incorporated into the minutes).
- Federal budget that was passed at the end of December included a total of \$3.8 million in community earmarks for Holden Beach (\$2.7 million for the sewer lift station through an EPA State, Tribal and Local Government Fund, \$1 million for the Coastal Storm Damage Reduction Study (CSDR) which goes through the Corps' coffers and \$100,000 in stormwater funding for the Corps' improvement programs). We are working through our federal advocates for the requirements and details as to exactly how the program works in addition to asking the Wilmington district our next steps for moving forward for the CSDR and the stormwater program.
- FEMA Project - still awaiting the final inspection. We have responded to the FEMA request for additional information. As a reminder they are still holding about \$600,000, which is primarily special obligation bond interest.
- Ocean Boulevard Resurfacing/Bike Path – last month reported that the state was going to put a two-prong bid out. One of the solicitations would have attempted to get the project in before Memorial Day. They waived that off and are going to go with one prime solicitation that is being prepared so that the project will be installed in the timeframe of mid-September of 2023 – Memorial Day.
- 796 Ocean Boulevard West – bids are supposed to come back to us in the next couple of days. We have informally solicited rental properties management services on what the projections of rentals might be.
- Pier – second appraisal on the PARTF grant is underway. Once we get that early in February, we will be able to finish that paperwork up. We have reviewed the revised site plan based on the Board's feedback from December and provided input and an updated survey to Chip Hemingway for further revision. We anticipate the final plan review coming forward to the Board at the February meeting.
- Block Q – we are waiting on revisions to the site plan based on the Board's review and suggestions to use the site perimeter rights-of-way for car parking where feasible.
- The every other year canal dredging survey is underway. Anticipating that to be in plenty of time to program whatever the assessments might be into the fiscal year budget for next year. An item that continues to be problematic is when it gets to be time to do the next canal dredging, we don't have a place to put it. We are working that as one of our federal priorities to make some headway.

Commissioner Kwiatkowski asked if the \$1 million for the CSDR was meant to cover the year 2/year 3 obligation or if they are saying instead of our second installment being \$800,000, it will now be \$1 million. Town Manager Hewett replied that is one of the questions he needs to ask when he talks to them.

MAYOR'S COMMENTS

- Noticed we have had a lot of activity with the Public Works Department in the area of the bridge. Public Works Director Clemmons explained they are investigating water line placement in the area.
- Reminded property owners to be mindful of any exposed pipes that may be subject to freezing. Please take care of them, it impacts Town operations.
- Thanked everyone for what they are doing. Let's have a good 2023.

BOARD OF COMMISSIONERS' COMMENTS

Mayor Pro Tem Smith

- Really looking forward to reviewing the pier and Block Q preliminary plans. Hopes with the help of staff we can start soliciting for some grant money. Hopes we are successful in getting some assistance.
- Attended a DOT meeting with Mayor Holden and Town Manager Hewett about the proposed Carolina Bays Parkway Extension to take a load off of Highway 17 between Highway 130 and Highway 31. Seems no decisions have been made. Still up in air on the exact location and path.
- Appreciates being part of the Board, they seem to work well together. Thinks they do a good job of making hard decisions. It is a pleasure to work with this group.
- Thanked people for attending the meeting tonight and the ones online.
- Looking forward to a successful 2023. Staff should now be smiling. Looking forward to continuing to work with them. They are getting compensated a whole lot closer to where they need to be.

Commissioner Murdock

- Thanked everyone for coming out. Thanks for listening. Appreciates the comments. We read them all and listen.
- To the staff - thanks for sticking with us. Thanked Town Manager Hewett for the work done to get the salaries to where they are more competitive with our neighboring beaches. Hopefully we can fill some empty positions and retain the talent that we do have. Really appreciates all the hard work. Has worked with the Inspections Department for over twenty years. It is probably running the best he has ever seen it run at this juncture. It's efficient and becoming more efficient. They are really making sure everyone working on this island is not only licensed, but they are doing a good job at what they do and making sure that the customer in the end gets the product they deserve and it is safe. We have a lot of rental houses here and that's what you need to consider. It is not just the people that live there, but all the people that come to this beach that live in your house for a week. We want to keep them safe. Commended Inspections Director Evans and his department on that.
- We have a lot of things to be excited about. Will take some time to put things together. We have people working on every project. Sooner or later, with a lot of luck, it will come to pass and there will be a lot of new facilities here for the public to enjoy and be proud of.

- Stay well and stay safe. Knows a lot of people have been sick. Take care of yourself. Come see us at the next meeting.

Commissioner Dyer

- Thanked staff for all of their hard work. Glad to see we were able to get them to where they need to be. It has been a long time coming and thinks they all deserve it.
- Happy new year. Thanks for listening to us this evening.

Commissioner Kwiatkowski

- Thanked staff. Last year was a rough year. This year will hopefully be better.
- Public has all of the scheduled budget meetings. You can hopefully get them in your calendar. The meetings will be at 5:30 p.m. They will not be in the daytime as they have been in the past. Hopes as we get into discussing budget, we have people who are tuning in, maybe coming to the meetings so that you can better start to follow some of the intricacies of what we need to go through. It will be an interesting year since we have so many things we are planning. We will need to make decisions on what order to do things in.

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

Motion to go into Closed Session at 7:45 p.m. by Commissioner Murdock; second by Mayor Pro Tem Smith; approved by unanimous vote.

OPEN SESSION

The Board went back into Open Session at 9:07 a.m. No action was taken.

ADJOURNMENT

Motion to adjourn at 9:07 a.m. by Commissioner Murdock; second by Mayor Pro Tem Smith; approved by unanimous vote.

J. Alan Holden, Mayor

ATTEST:

Heather Finnell, Town Clerk Finnell