



**HOLDEN BEACH
BOARD OF COMMISSIONERS
PUBLIC HEARING/SPECIAL MEETING
THURSDAY, JUNE 15, 2023 – 5:30 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Public Hearing/Special Meeting on Thursday, June 15, 2023 at 5:30 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 Gerald Arnold; Town Manager David W. Hewett; Town Clerk Heather Finnell; Assistant Town Manager Christy Ferguson; Public Works Director Chris Clemmons; Police Chief Jeremy Dixon; Inspections Director Tim Evans; Finance Officer Daniel McRainey; and Fiscal Operations Supervisor Margaret Lancaster.

Mayor Holden called the meeting to order.

PUBLIC COMMENT

No comments were made.

PUBLIC HEARING – PROPOSED BUDGET FOR FISCAL YEAR 2023 – 2024

Town Manager Hewett presented a slideshow. He reviewed the budget schedule. He provided a by fund overview. The total funds are about \$98 million. Without the FEMA money, it is close to \$24.7 million. There is \$5.1 million in the General Fund, \$8 million in the Water Fund, \$6.2 million in the BPART Fund, \$3.3 million in the canal funds, \$212,000 in the Water Capital Reserve Fund, \$358,000 in the Sewer Capital Reserve Fund, \$1.375 million in the Beach & Inlet Capital Reserve Fund and \$73 million in the FEMA Projects. The tax rate is proposed at 14 cents. The proposed budget transfers \$783,000 to the BPART fund to subsidize various debt and capital expenses. It funds financial software replacement. It also funds an Inspections' vehicle and permitting modernization. In the proposed budget there is 3.5% COLA and 4% merit pay.

In the General Fund, the proposed budget funds the stormwater program and resurfaces High Point Street.

In the Water and Sewer Fund, the proposed budget decreases the Sewer Capital Fee to \$458.21 due to debt retirement. It programs the Greensboro Lift Station upfit and contains capital outlays for valve pits, water meters and a replacement generator. It continues funding for the Water System Asset Inventory. The second water tower will be a part of that.

In the BPART Fund, it uses Beach and Inlet reserves to pay for Lockwood Folly Inlet maintenance dredging. The proposed budget satisfies debt services for the pier and Block Q. It also funds \$50,000 of the Corps' Storm Damage Reduction Study and permitting for future Town shovel ready projects. There is one facilities maintenance technician and a vehicle in the BPART budget. It funds several of the required maintenance activities attached to our FEMA project. The proposed budget provides for strand and waterway access enhancements like beach mats, kayak launch, parking lots and walkway repairs. It funds the initial pier repair, Jordan Boulevard public restrooms, Block Q parking and 796 improvements.

The FEMA fund is now an empty vessel, but we are keeping it on the books.

Under canal dredging, it funds entrance canal and spot dredging in Harbor Acres. It also funds disposal site policy development and permitting requirements.

The system development fees are housed in the Water and Sewer Capital Reserve Funds. The estimated accruals are \$212,000 for the water system and \$358,000 for the sewer.

The Beach & Inlet Capital Reserve Fund transfers \$347,000 to BPART to pay for the Lockwood Folly Inlet maintenance.

Town Manager Hewett said as presented, the budget is balanced in accordance with the Fiscal Control Act. This budget reflects the administrative corrections made at the last meeting.

Keith Smith reviewed information from past audits. He asked the reason for increasing taxes if the Town is operating within its means. He would like that to be addressed so it doesn't look like taxes are being increased to pay for the pier.

Martie Arrowood said the BPART funds are from occupancy taxes, from the people who rent houses. That is where Block Q and pier expenses come from, not property taxes. She commended the Board for addressing issues that have been kicked down the road for years. She doesn't mind paying taxes if she sees benefits. She suggested urging the county to have a boat ramp on the mainland. She also said if there is any green space the Town can find and work into the budget, we should be doing it.

Brent Shaver said Sailfish Park is not broken. He said the people in that community do not want that park to change. He suggested the Town could save some money by not making changes.

Tom Myers read the email he provided as public comment. He said the Town's past spending has now come home to roost in terms of loan payments. He said the Town continues to keep building a hole in terms of spending more money than is brought in. He said the Town is moving forward with a significant number of expensive multi-year projects. Mr. Myers said the Town is mortgaging our future by paying for the deficit spending using savings and fund balances, instead of just raising taxes. He said the money will be needed for future nourishment. He would prefer to pay for today's expenses with today's dollars and set aside for the future.

Jim Bauer said the purse strings need to be pulled closed. He suggested that the pier should sit there and the Town should not spend money on it. He added 796 should be sold. He said there is no reason

to put money into these projects, especially considering the dire financial circumstances we could be involved with due to an unforeseen storm or natural emergency.

Tony Jordan said we need to be visionary. He said if we hang onto the pier, it will not devalue. He hopes the Town will open the pier and start generating money as quickly as possible.

DISCUSSION AND POSSIBLE ACTION ON ORDINANCE 23-11, THE REVENUES AND APPROPRIATIONS ORDINANCE FOR FISCAL YEAR 2023 - 2024

Commissioner Murdock said the General Fund is not paying for the pier and Block Q. The money is going to a lot of different things. For the two cents increase, two things come to his mind, the salary increases and getting ADA compliant. He would like the pier and building to be open. It will generate money. He talked about the deal the Town got on the pier lots. He said we are not spending \$1 million; we received a grant for \$500,000. Part of that is for the access the Town must have because the property where the current access is on has been sold. Commissioner Murdock said we will need to look for grants for some of these projects and we have a great team that is actively doing that. We pulled back the \$1 million transfer for the pier. Some of the line items may not be spent, they may be placeholders. He said there will always be something and the Board has made the best decisions to try to be responsible, but people want to see the Town move forward and get things done. He said in a couple of years, a lot of debt falls off the debt service chart. He said land is precious. He thinks the Board has made outstanding purchases, hopefully for the good of the public. We need to provide accommodations and facilities.

Mayor Pro Tem Smith said he went to the Local Government Commission when the Town said we were not going to use taxes to pay for improvements on the pier. With the parking money, the \$500,000 and some of the BPART money, it more than amply takes care of what we want to do. We have a good plan to move forward. The BPART money is from people who come and spend money. He said having a place like the pier is important to the Town and our visitors. Mayor Pro Tem Smith said there were a lot of people who were against the pier, but there appears to be a softening of those. He said on the debt chart, we are getting close to a lot of debt going away. It will free up some extra funds where we can put some money in savings for nourishments and do some capital improvement projects. He talked about retaining employees. He explained with the changes made, he doesn't see anything frivolous in the proposed budget.

Commissioner Dyer said the Board members are all property owners and the last thing they want to do is raise taxes. She said we can't just set aside taking care of employees and becoming ADA complaint. The study done several years ago proved our employees were underpaid. After it was raised, we hired another officer. We need officers here. She said if we don't have employees, the Town won't run.

Commissioner Arnold explained stewardship involves risk and nothing is guaranteed. He said the pier is the people's property now and we want to do with it what becomes the people of this town. He talked about the Great Depression where the state took the risk to take over the schools and roads. He said look at what that meant to this state. He said he is new to the Board but commends them for what was done. They took some risks, but looked forward to the future, to the people. He added that with good stewardship, you need to be prudent, but there are risks you need to take.

Motion by Mayor Pro Tem Smith to approve Ordinance 23-11, The Revenues and Expenses for fiscal year 23-24; second by Commissioner Murdock.

Mayor Pro Tem Smith stated there are federal laws regarding ADA. It is not cheap. The Town is going to make the island so everyone can visit our beach.

The motion passed unanimously.

QUARTERLY WORKSHOP

Town Manager Hewett explained after he spoke with Inspections Director Evans today, we believe we are ready to submit the CAMA permit for the pier. The piling bores should be started tomorrow.

Chip Hemingway provided an update on the status of the pier renovation/design documents. He said he understands the Board appropriated less budget than what the overall project might take. They can customize the drawings to fit within the current budget. The plan is to renovate the pier first and get it into working order. He detailed what that will entail. There are five pilings that are damaged. The plan is to repair those pilings from above. Mr. Hemingway said overall, they are doing this project as efficiently as possible, with no extra design components that are outside of getting the pier into working order and turning the property into something the Town can truly enjoy for years to come, in addition to getting an emergency vehicle access and an ADA ramp at the pier property to the beach strand. It will provide new public restrooms. It will be within the footprint of the existing building but will be accessed from the exterior of the pier house. The soil borings are getting ready to take place. They will allow the structural engineer to determine what kind of loading capacity the soils have. They will tear down the existing pier from the pier house to the high tide line. They will make the pier ADA accessible. It should also strengthen the base of the pier and provide a much-needed upfit to the visual conditions. Mr. Hemingway reviewed his slides. They will resurface the parking lot and have new plumbing connections for the new restroom facilities. They came up with an interior plan on what they thought the best use would be. He doesn't think the budget will allow the inside to be renovated at this time. Mr. Hemingway said the plan is to renovate the pier in the first phase. If the building has to wait, they can add a corridor down the center for access.

Commissioner Arnold said based on past experiences, renovations tend to take longer than you think it would take and to cost more than you think it would cost and nobody is happy with it when they are through with it. He said five years later, people are wishing they had torn it down and built something new. He said he fears that is where we are headed with this. Mr. Hemingway said you could build a new building, but if the funds don't allow it, you need to work with what you have. He thinks what they have come up with will be a universe away with using the same structure. He agreed that if there was a flood it would not be good, but there is not a lot in the building you would lose. There will be concrete flooring. The electrical and mechanical equipment will be above the flood level. Mayor Pro Tem Smith asked if we get the pier open, could someone upfit the open space the way they would like if they leased it. Mr. Hemingway agreed. Town Manager Hewett said he thought it was the intent to provide a shell and they would upfit it as needed. The restaurant side would be a bit more complex. He said any upfitting would need to be in accordance with any regulations. Mr. Hemingway stated on that side they could just pour a perimeter strip of slab to reinforce the walls and the existing foundation and leave the

slab out. Then when someone renovates it, they can run whatever they need under the slab. They would need to work with the Inspections Department to make sure they are doing it the correct way.

Commissioner Dyer said Mr. Hemingway mentioned that Phase 1 was the plan to get the pier open. Her impression is that nothing would be done to the building in that phase. Mr. Hemingway explained they would need to at least put a slab through the corridor. A public path would be needed.

Insurance for the people renting the facility and the Town was discussed. The outdoor seating area was discussed.

Mayor Holden asked how confident Mr. Hemingway is that the pier could be open next season. Mr. Hemingway replied with a nine-month construction period and if they busted through on getting it ready for permits and out to bids, there is a good chance.

Commissioner Murdock asked if there are plans for a shelter area/pull off area for people who are in wheelchairs. Mr. Hemingway replied not at this time, but they will have ADA handrails. He said you see that a lot because the accessways are too narrow, but the pier is wide so it should not be a barrier. Inspections Director Evans suggested you could pick a couple of spots to have designated handicap areas.

Town Manager Hewett reviewed the rest of the items for the quarterly update:

- Coastal Storm Damage Reduction Study – we have been working with the Corps on their inquiries for some things required concerning economics and tax data, in addition to providing specific information on sand searches. We are to the point now where there is a monthly working group schedule established.
- Stormwater Mitigation Project – finished the video of our pipes and culverts. There is a bad place on Ocean Boulevard East that the Department of Transportation has been notified of. The inventory and assessment with the master plan for stormwater is exactly the type of information that the Corps is going to require for their environmental infrastructure funding. We had \$100,000 earmarked of federal appropriation that is going to pay for the Corps to scope the project for us. We are going to use our engineer to come up with projects that we have the opportunity to qualify, for up to \$12 million in North Carolina of funding for stormwater work. We will need to do a match. That is the secondary purpose of doing the stormwater plan.
- Water Tower Needs Assessment – Green Engineering is still busy getting the inventory and data collection in the plan for the water system asset inventory. They are currently mapping GIS. They are about 25% through with that.
- Existing Restroom Renovation – modular bathrooms were installed at the pier.
- Block Q - we have been invited to submit a public access grant final application from CAMA that will be due in August. Talked to Randy Baker, concerning the development at Block Q. Phil has committed to providing an express permit next week for signature. Need the CAMA permit and that is the first takedown.
- ADA Access Plan – Inspections Director Evans has been coordinating with everybody. We have our CAMA permit submitted for the east end. It should be ready by Friday. 114 OBE/Quinton, the CAMA permit is in hand and work is supposed to start on Monday. 801 OBW, the CAMA permit has been applied for. The intent is to move forward with the items on the ADA compliance list.

- Sewer System Lift Station Improvements – Have been working on getting all of the agency inputs back to the Environmental Protection Agency so we do not have to do a full blown NEPA Study. We will need to integrate that effort with our borrowing for the match for our lift station. Will have the borrowing schedule detailed more specifically next week when we talk with the Local Government Commission and our financial consultants.
- Paid Parking Adjustments – thinks this is closed as far as the rate structure implementation the Board recently approved. Will need to keep tweaking it to make sure the fine points are taken into consideration.
- 796 Status – carpentry work is done. Painting is due to be completed next week.

Mayor Pro Tem Smith asked about dredge spoils area. Town Manager Hewett replied we have a letter from Senator Budd, Senator Tillis and Representative Rouzer. They have all signed a letter to the assistant secretary to the Army for Civil Works, putting forth the Town’s position and advocating for non-federal use of Corps’ spoil islands.

ADJOURNMENT

Motion to adjourn at 6:56 p.m. by Mayor Pro Tem Smith; second by Commissioner Murdock; approved by unanimous vote.

J. Alan Holden, Mayor

ATTEST:

Heather Finnell, Town Clerk