



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
REGULAR MEETING
TUESDAY, DECEMBER 17, 2024 – 5:00 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Regular Meeting on Tuesday, December 17, 2024 at 5:00 p.m. in the Town Hall Public Assembly. Present were Mayor J. Alan Holden; Mayor Pro Tem Tom Myers; Commissioners Rick Smith, Tracey Thomas, Page Dyer and Rick Paarfus; Interim Town Manager Christy Ferguson; Town Clerk Heather Finnell; Police Chief Jeremy Dixon; Public Works Director Chris Clemmons; Inspections Director Tim Evans; Finance Officer Daniel McRainey; and Town Attorney Sydnee Moore.

PLEDGE OF ALLEGIANCE

AGENDA APPROVAL

Motion by Commissioner Paarfus to approve the agenda; second by Commissioner Thomas; approved by unanimous vote.

CONFLICT-OF-INTEREST CHECK

No conflicts were disclosed.

APPROVAL OF MINUTES

Motion by Commissioner Paarfus to approve (minutes of the Regular Meeting of November 19, 2024); second by Commissioner Thomas; approved by unanimous vote.

PUBLIC COMMENTS ON AGENDA ITEMS

Jim Bauer said he applauds the item on terminating the current agreement for the pier design. He said to ask the town what they would like to do with the pier property.

Will Carter said there is a gang problem. They want to have a retirement community, not a vacation resort. He talked about his concerns with current and previous topics that he said have been dragged out to prevent people from coming to the island.

CONSIDERATION AND POSSIBLE ACTION ON THE TERMINATION OF THE COASTAL STORM RISK MANAGEMENT GENERAL REVALUATION CORPS OF ENGINEERS STUDY

Interim Town Manager Ferguson introduced the Corps. The slides point to the fact that modeling doesn't show it is in the national interest to have a beach project or a project for the waterway side. Brennan Dooley explained they were required to do economic analysis to see if it is in the federal interest from the Corps' perspective. Their recommendation at this time, since it doesn't seem to be in the federal interest, is to take all of the data and reporting completed to date, finalize it and put it in a format the Town can use for its nourishment program moving forward. At this point, they have looked at the alternatives that they could. None of them could be carried forward at this point, however they have done a lot of good research that could be used for future nourishments. Michael Castner went over the Corps' federal methodology. They look over a 50-year period of analysis. They use the tools of Beach-FX and G2CRM to account for damages in the study area. Benefits are determined by damages prevented and they look at cost estimates. Net benefits are the damages prevented versus the cost estimates. If the cost is higher than the damages, you will not have a net beneficial plan. Mr. Castner said that is what they are finding in this study. Recreation benefits were estimated but are considered incidental per the Corps' policy. He went over Beach-FX and G2CRM information and showed graphs with Corps' alternatives and study details. Mr. Dooley went over study products, which will include the summary of the analysis, Geotech, coastal modeling and economic results. The cultural resources survey is still in progress. The final product is expected in 2025. They will also be handing over a detailed accounting summary. The conclusion is right now the study has not proven to identify a cost shareable project in the federal interest either on the beach side or the back bay damages. The management plan the Town has in place right now is doing a great job. They recommend wrapping up the products and transferring the data to the Town.

Commissioner Paarfus said his understanding is the Corps already has the money in hand to complete the closeout. Mr. Dooley agreed. Mayor Pro Tem Myers said he was at the conference in Wilmington where Mr. Dooley spoke about the sand wars. He asked if there is anything the Town could do to protect the borrow areas for our use. Mr. Dooley explained that to his knowledge it is on a first come first served basis. Interim Town Manager Ferguson said she wanted to highlight that the way the Town views risk is different than what the Corps can figure into their economic model. It doesn't take the tourism economy into account.

Motion by Commissioner Thomas to receive the report and initiate termination of the study; second by Mayor Pro Tem Myers; approved by unanimous vote.

POLICE REPORT – CHIEF DIXON

- Report looks good. Animal control calls are a little high. There is a stray dog in the 1300 block that they are trying to trap.
- Had a good turnout for the Turkey Trot.
- Will be in the 20s and 40s again this weekend. Bundle up.
- Merry Christmas.

Commissioner Smith asked Chief Dixon if he had any luck with recruiting new officers. Chief Dixon responded no, but staff is working on suggestions to bring back to the Board.

INSPECTIONS DEPARTMENT REPORT – INSPECTIONS DIRECTOR EVANS

- Nothing stands out. The report looks normal. Went over numbers. Active permits are a little out of sync. Lower inspection numbers are attributed to complicated construction and cold weather. Have an uptick in dune markings, which is usually an indication we are ready to get an influx of construction.

FINANCE DEPARTMENT REPORT – FINANCE OFFICER MCRAINEY

- Report looks very similar to last month's. Ad valorem is still behind, but it is not a concern since tax bills went out a little later.
- Parking and occupancy tax are tracking a little higher. Parking revenue should go up next month because it will be the first month captured of offseason paid parking.

INTERIM TOWN MANAGER'S REPORT – INTERIM TOWN MANAGER FERGUSON

- Greensboro Street Lift Station – the DEQ offer to fund the Board passed at the last meeting was returned to the state on November 22nd. A copy of insurance and Exhibit B were executed by the contractor, which is what we were waiting on to issue the Notice to Proceed. The Notice to Proceed was processed on December 10th. Public Works Director Clemmons met onsite with the contractor last week.
- Key Bridge Items – The contractor started work onsite at Avenue E on November 25th. 801 OBW had its final inspection as of December 4th. We held a quarterly meeting on December 4th.
- CSRM Study – The Board just heard the update. That will now require action on the federal level as a follow-up.
- Recycling Program – in the agenda packets for tonight. Be mindful with your intent to renew for the upcoming year.
- Congressionally Directed Spending (Senate)/Community Project Funding (House) – The Board should start to consider what the requests will be. It could potentially be a January agenda topic depending on how the federal budget schedule is coming together. The timing of the form's release from the legislators is unknown, but the Board will need to consider things like the 5113 funding, Lockwood Folly Inlet and policies. Will be in D.C. the last week of March to work on that.
- Employee Updates – Public Works Department gained an employee in mid-November. That replaces the vacancy left when Scott Cunningham retired. Margaret Lancaster, who has been with the Town for 28 years will be retiring.
- Holden Beach Harbor CAMA permit renewal has come through. Still working on the paperwork for the Corps and DWR. Heritage Harbor's permit is up in February. We are currently working on that for renewal; Harbor Acres is in September.
- Bike Lanes – they will try to get paperwork by the January meeting. It looks promising that we will have a maintenance agreement and it looks promising that they will agree to pay for

quarterly maintenance through the DOT's budget. We will need to pay the vendor and they would reimburse us.

- Went over details on Objectives Timeline.

Commissioner Thomas asked what the projected start date is for the Greensboro lift station. Interim Town Manager Ferguson answered that the contractor should be refining a timeline. She thinks January, but will let the Board know when she receives the timeline. Commissioner Thomas asked if Avenue E is the last Key Bridge item. Interim Town Manager Ferguson responded it is the last one, but we still need to add mats at 801 OBW. Inspections Director Evan said the maps are an add-on. We have gone forward with matting and hope to add some additional areas, but it is not part of the agreement. The project deadline for Avenue E is February 14th which is under the agreement deadline. The agreement deadline could be extended if necessary, but he is pretty sure we will meet the deadline. Mayor Pro Tem Myers asked about policies under the Congressionally directed spending line. Interim Town Manager Ferguson explained it seems the WRDA bill is going to get passed. Congressman Rouzer made sure language was included that would help the canal subdivisions with dredge spoil disposal. Policy items are certain items just related to Holden Beach that we can advocate for on the federal level.

DISCUSSION AND POSSIBLE APPROVAL OF 2025 BOARD OF COMMISSIONERS' MEETING SCHEDULE

Motion by Commissioner Paarfus to approve (2025 Meeting Schedule); second by Commissioner Thomas; approved by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON SELECTION OF MAYOR PRO TEM

Commissioner Smith nominated Commissioner Dyer. Commissioner Thomas nominated Mayor Pro Tem Myers.

The Board voted by ballot. Mayor Pro Tem Myers was selected to continue as mayor pro tem. Votes were as follows – Mayor Pro Tem Myers – Mayor Pro Tem Myers and Commissioners Thomas and Paarfus, Commissioner Dyer – Commissioners Smith and Dyer.

DISCUSSION AND POSSIBLE ACTION ON RESOLUTION 24-10, RESOLUTION APPROVING TRUIST SIGNATURE CARD

Town Clerk Finnell explained Resolution 24-10 would update the Truist Signature Card by designating Mayor Holden, Mayor Pro Tem Myers, Interim Town Manager Ferguson and Finance Officer McRaney as the official signatories.

Motion by Commissioner Paarfus to approve (Resolution 24-10; second by Commissioner Thomas; approved by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON REVISED JOB DESCRIPTIONS FOR THE FINANCE DEPARTMENT

Town Clerk Finnell explained our current fiscal operations supervisor is retiring. Staff is proposing to remove the supervisory duties from the position and realigning the duties to the finance officer. No changes to the salary ranges are recommended at this time.

Motion by Commissioner Thomas to approve the proposed job descriptions; second by Commissioner Paarfus; approved by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON RESOLUTION 24-11, RESOLUTION AMENDING THE HOLDEN BEACH FEE SCHEDULE

Town Clerk Finnell said we have received the updated fees from GFL Environmental for people who utilize the voluntary curbside recycling program. The annual cost for people participating in the program for 2025 will be \$119.35 per bin. The fee schedule needs to be updated to reflect the amount.

Motion by Commissioner Thomas to approve Resolution 24-11; second by Commissioner Paarfus; approved by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON ORDINANCE 24-19, AN ORDINANCE AMENDING ORDINANCE 24-11, THE REVENUES AND APPROPRIATIONS ORDINANCE FOR FISCAL YEAR 2024 – 2025 (AMENDMENT NO. 4, BEACH AND INLET CAPITAL RESERVE FUND TRANSFER)

Finance Officer McRainey said the Board's policy states that the Town transfers Fund Balance over 70%. Fund Balance for the audit this year was at 146% so that would be a 76% transfer. The transfer does not need to be done right now if the Board would like to wait to see what comes up throughout the year.

Motion by Commissioner Thomas to approve the ordinance as is, 24-19, to move the \$2,783,382 from the General Fund to the Beach Inlet (Capital Reserve Fund); second by Mayor Pro Tem Myers.

Commissioner Paarfus said Finance Officer McRainey suggested that the Board not transfer the entire balance, which he thinks could be a good idea. We do have an approved Stormwater Master Plan. The engineering work for the plans and specs to do any of those projects has not been done yet. We are currently in the process of trying to get some grant funds, but it may be prudent to hold some funds back to do some plans and specs. He suggested holding back \$300,000. He said there is also another stormwater issue on the agenda tonight and that has a price tag of \$76,000. He would like the Board to consider holding some money back to get some stormwater work done. Commissioner Thomas said we have \$5.3 million in extra from the audit. If we take the \$2.7 million, we still will have an additional \$2.5 million that has not been appropriated. In the budget we have \$223,000 that is available for reappropriation so we can use that money. On top of that we have \$6.7 million in the BPART Fund. She said if you look at the policy, it says you shall transfer to the capital reserve fund, which means must. She said this is the policy and we should follow it and we have plenty of money to do a \$300,000 project if we need to within the next six months. In six

months, we will start our new budget. Commissioner Thomas said now that the Corps is saying they will not be supporting us in beach nourishment, we have to start filling that bucket so we can do it ourselves or we will be in sorry shape if we do get a storm. Mayor Pro Tem Myers stated this is from the 23-24 budget because we had to wait until we received the results of the audit. To him that is money that is earned then and we shall submit it. We will have money this year. We are about to start the budget process. He doesn't think we will get much done with the stormwater in the next six months. We do have money to do some of it. He said the key will be to budget that in next year's budget. This is money that has already been earned and the policy states it should go to the sand fund. Finance Officer McRainey said it is the pleasure of the Board, but his recommendation would be to at least wait until later in the year in case something comes up. You do not have the option to take it once it is moved. Commissioner Dyer thinks the Board should go with the recommendation of our finance officer. We are not saying we are not going to put the money in there, but once it is tied up, we can't use it. There is no reason why the Board can't put the money in the fund in six months. She would go with his recommendation. It is his job and what he is here for. Interim Town Manager Ferguson explained her recommendation in the packet should have been to transfer per the finance officer's comments. If the Board decided to make a partial transfer, it would not keep the Board from doing more later in the year. There are some expenses you don't know what you will encounter yet. For example, there is a Request for Proposals on the agenda; there were some things that weren't planned in the budget that are going to come up. If you did some now and some later, she doesn't think it could hurt, but it is the pleasure of the Board. She stated when you put it in the fund, it doesn't give any flexibility, even in an emergency. Commissioner Thomas went over her numbers from earlier and said that is a lot of emergency money. Interim Town Manager Ferguson said the Board may not want to plan on the Available to Appropriate number from before.

Commissioner Paarfus asked if \$300,000 is an appropriate number to consider holding back. Finance Officer McRainey replied he thinks so, this is not saying the Board would not transfer the rest of it, but it keeps the money available.

Commissioner Thomas revised her motion to make a recommendation that we do the \$2.483 (million) if that is your recommendation. Mayor Pro Tem Myers agreed with the amendment.

Town Clerk Finnell read the amended motion as approve the ordinance with the revised amount of \$2.483 (million) from the General Fund to the Beach Inlet Fund.

Commissioner Smith asked about the RFQ for the pier engineering. Commissioner Thomas said there is \$200,000 in the budget for that. Commissioner Smith said the finance officer made a suggestion to do it later in the year. Finance Officer McRainey said his recommendation on the sheet is a lesser amount, but either way. Commissioner Dyer said she doesn't understand why the Board would tie up money that we can't get a hold of. We could transfer it in a couple of months. Commissioner Paarfus said we are crossing funding lines. General Fund wouldn't be used to fund the pier, that is a BPART line, unless we transferred it. He is good with holding back \$300,000 for now.

The motion passed by a 3 – 2 vote with Mayor Pro Tem Myers and Commissioners Thomas and Paarfus voting for the motion and Commissioners Smith and Dyer voting in the negative.

DISCUSSION AND POSSIBLE ACTION ON PROPOSAL FOR ADDITIONAL AREAS OF CONCERN FOR STORMWATER FROM MCGILL ASSOCIATES

Commissioner Paarfus spoke with Public Works Director Clemmons about problems during king tides. Public Works Director Clemmons explained that the proposal involves survey work and analysis to add three streets at the east end of the island and the canal streets. It projects a six-month deliverable following a notice to proceed at a price of \$76,100. It would require a budget amendment if the Board chooses to proceed.

Motion by Mayor Pro Tem Myers that we accept it (proposal) and move forward; second by Commissioner Thomas.

Mayor Pro Tem Myers asked why we would not use Available to Appropriate instead of passing a budget amendment. Finance Officer McRainey said a lot of the Available to Appropriate has been used for staffing issues and various taskers from the Board. Interim Town Manager Ferguson added the Board made a directive that has been followed.

Mayor Pro Tem Myers added that the motion included the budget amendment. Commissioner Thomas agreed with the amendment.

Town Clerk Finnell read the motion as to accept it and move forward and to accept the budget amendment.

The motion passed unanimously.

DISCUSSION AND POSSIBLE ACTION TO TERMINATE THE AGREEMENT FOR HOLDEN BEACH PIER DESIGN BETWEEN THE TOWN AND BOWMAN MURRAY HEMINGWAY ARCHITECTS

Attorney Moore said the contract between the Town and Bowman Murray Hemingway Architects is still active. She spoke with the firm; it is questionable as to whether the completed portion rises to the substantial completion threshold that was needed to automatically terminate the contract. She advised the Board to terminate the contract so they could make whatever decision they would like with the Request for Qualifications. This decision would not affect the Board's ability to reselect this firm.

Motion by Commissioner Thomas to terminate the April 18, 2023 agreement for Holden Beach Pier Design between Town of Holden Beach and Bowman Murray Hemingway Architects, PC for convenience and direct the town attorney to send written notice informing architect of BOC decision to terminate as agreement requires; second by Mayor Pro Tem Myers.

Finance Officer McRainey asked if there is a monetary piece to this. Attorney Moore responded that the Town is paid up as far as she is aware. Commissioner Smith said so in other words we are terminating all the plans that were ready to go a year ago and we are terminating because we are maybe choosing another engineering group. Attorney Moore replied that there is an issue under the statutes as to selecting another engineer when one is already employed by the Town. This just

terminates that agreement specifically so that the Town is free to enter into a new agreement or go with whoever they please. Interim Town Manager Ferguson added she asked Attorney Moore to look into this because there did seem to be an issue due to the code of conduct for engineers so Attorney Moore did some research, contacted Mr. Hemingway and it seems to be the cleaner way before another firm is selected to complete the next part of the project. Commissioner Dyer asked how much money was involved with the first contract. Finance Officer McRainey was unsure. Mayor Holden asked if Mr. Hemingway is in agreement and understands what the Town is doing. Attorney Moore answered yes and this does not preclude the Board from choosing the firm again. Commissioner Smith asked if she recalled the amount of the original contract. Attorney Moore said she was not here for that. Interim Town Manager Ferguson said we would need to get that amount.

The motion passed unanimously.

RECEIVE REQUEST FOR QUALIFICATIONS FOR PIER AND DIRECT STAFF ON NEXT STEPS

Interim Town Manager Ferguson explained the Board received four Request for Qualifications (RFQ) back. She went over the information in the RFQ. The Board needs to decide who will rate the firms.

Motion by Commissioner Thomas that pending termination of the BMH contract, that we direct the staff to award the RFQ to HDR and to move forward as appropriate; second by Mayor Pro Tem Myers.

Commissioner Thomas said she has already done her rating and she feels that HDR was by far the number one firm. She has a problem with most of the other three because they already had a chance to do some work on the pier and their estimating was extremely poor across the board. She said she thinks the Town needs some fresh eyes on the project. The other three options do not provide that. They failed to come up with realistic estimates in the past. Mayor Pro Tem Myers said he went through them very thoroughly and evaluated them against the criteria that was in the RFQ. Based on his analysis he reached the conclusion on who he thinks is best qualified; he thinks it is HDR. He doesn't want to delay the project any more than it has been delayed and thinks the Board can make the selection at this time. Commissioner Smith said the Board had a plan a year ago and it has taken a year to get to this point, so if this is what it is going to take to move forward, he thinks they should agree as a Board to move forward.

The motion passed unanimously.

DISCUSSION AND POSSIBLE ACTION ON ISSUING REQUEST FOR PROPOSALS FOR EXECUTIVE SEARCH FIRM

Mayor Pro Tem Myers stated the Town could benefit from engaging with an executive search firm to help with the process of evaluating and selecting a town manager. He thinks it is the most efficient way to move forward. He has compiled a list of what is typically involved with those services and the League has provided a list of potential search firms and an example Request for Proposals (RFP).

Motion by Mayor Pro Tem Myers that we direct town staff to 1) develop a RFP for the services that were listed using the materials from the League of Municipalities as a template and 2) provide a copy of the RFP to Commissioners as soon as it is available and if we don't contact the town clerk with any concerns by January 3rd, to go ahead and issue it; second by Commissioner Thomas.

Commissioner Paarfus asked if staff is able to meet the schedule. Interim Town Manager Ferguson and Town Clerk Finnell confirmed they could. Commissioner Dyer doesn't think the Town needs this expense. There are resources where the Town could advertise the job that won't cost the Town extra money.

The motion passed by a 3 – 2 vote with Mayor Pro Tem Myers and Commissioners Thomas and Paarfus voting for the motion and Commissioners Smith and Dyer voting in the negative.

PUBLIC COMMENTS ON GENERAL ITEMS

Phil Caldwell talked about the termination of David Hewett. He believes open discussion with colleagues is healthy. He suggested the charter be changed to six commissioners with the mayor being the deciding vote in the case of a tie. He talked about David Hewett and his staff and asked what the Board's problem with Mr. Hewett was. Mr. Caldwell talked about separation of church and state and said in his opinion it is one.

Will Carter suggested going back to two-year terms for commissioners and provided his reasons.

Martie Arrowood said the staff is phenomenal. We have had great turnout at events. She thanked the staff and volunteers.

Jim Bauer thinks we are now talking about having millions of dollars to be able to spend for the community, something that couldn't be said a few months ago. He would like people to be more civil to the Board.

Keith Smith stated he is pleased tonight, moving forward on the pier. He said if you cause the delay, you don't get credit for retrieving it back. He encouraged the Board to reestablish a working relationship with the HB Chapel.

MAYOR'S COMMENTS

- Merry Christmas to everybody and a happy New Year.
- Thanks to all for being here, being part of Holden Beach and sharing your ideas.

BOARD OF COMMISSIONERS' COMMENTS

Mayor Pro Tem Myers

- Thanks for coming and those participating online. Thanks for being involved.
- Excited about moving forward with the pier finally. Hopes we make good progress from here.

- Hopes everyone has a merry Christmas.

Commissioner Smith

- Thanked everyone for being here. Thanked staff. You guys do a great job of keeping the residents happy, as well as the people visiting our island.
- Wished everyone a happy and safe Christmas. We look forward to seeing everyone in a prosperous 2025.

Commissioner Thomas

- Thanked everyone for coming.
- Have a happy New Year and merry Christmas.

Commissioner Dyer

- Thanked staff. Been working very shorthanded. Our Police Department is overworked and they still are helping out with events and working hard to keep us safe. Public Works is keeping us flushing and drinking. We appreciate that. Thanked Interim Town Manager Ferguson for stepping in as interim manager.
- Everybody have a safe holiday.

Commissioner Paarfus

- Thanked everyone for coming out.
- Merry Christmas to everyone and happy New Year.

ADJOURNMENT

Motion by Commissioner Thomas to adjourn at 6:24 p.m.; second by Commissioner Smith; approved by unanimous vote.

J. Alan Holden, Mayor

ATTEST:

Heather Finnell, Town Clerk