

# Town of HOLLY RIDGE

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## HOLLY RIDGE TOWN COUNCIL SPECIAL MEETING June 23rd. 2022 6:00 P.M.

Mayor Jeff Wenzel called the Regular Meeting of the Holly Ridge Town Council to order at 6:02 p.m. at the Holly Ridge Town Hall. Council members present were Councilwoman Bragg, Mayor Pro-Tem Hall; Councilman Sholar, Councilman Hines, Councilwoman Stanley. Also present were Town Manager, Heather Reynolds; Deputy Clerk, Tracy Martin; Chief Sorg; and Attorney Kyle Fountain.

### Invocation and Pledge

Councilman Hines gave the Invocation and Mayor Wenzel led the Pledge of Allegiance.

### Adoption of Agenda

Manager Reynolds said under item 6-B add in Possible Adoption of a Resolution authorizing Industrial Development Fund application to the North Carolina Department of Commerce to include the updated amount requested. Manager Reynolds said since it affects the budget, it needs to come before the Public Hearing.

A motion was made by *Mayor Pro-Tem Hall* and seconded by *Councilman Sholar* to adopt the agenda as amended. *All Agreed.*

### Persons Wishing to Address the Council

**JoAnn Sowa – 131 Everett Park Trail** introduced herself as the Treasurer on the Board of Directors in Summerhouse on Everett Bay. Ms. Sowa said she wished she had gotten involved with the town's budget planning process sooner. Ms. Sowa feels like there are a lot of residents in Summerhouse who are paying a lot of property taxes and we just make sure that the funds are being appropriated wisely and that Summerhouse gets some benefits from the budget.

**Bob Stocklas – 327 Summerhouse Dr** said he came to thank the Town Council for listening to some of the residents in Summerhouse complaints. Mr. Stocklas said in Summerhouse, there had not been a lot of police patrolling, but Mr. Stocklas said they are finally seeing the police in the Summerhouse area.

Mr. Stocklas said he is seeing a lot more inspections being done in the area, and he is concerned about environmental issues on these inspections. Mr. Stocklas said he feels the contractors are doing a terrible job such as leaving garbage on site and leaving silk fencing down or not around the site anywhere. Mr. Stocklas said the residents in Summerhouse have done a great job preparing for hurricanes, but our ARC should be doing that job and the ARC is failing miserably. Mr. Stocklas said he is concerned that someone is going to get hurt because of someone not doing their job.

**Franky Howard – CEO, ONWASA – 228 Georgetown Road Jacksonville** – said that ONWASA is looking at some treatment options regarding number of flies located in the Summerhouse infiltration pond. Mr. Howard said there is a contractor onsite on a regular basis there and they are exploring some options that they have not done in recent past.

Mr. Howard said there is a new employee that lives in Summerhouse, and they were looking at some options and talking with the HOA to see about some alternatives such as putting a fountain in the pond to keep it irritated so it would not be stagnate. Mr. Howard said DENHR would also have to be involved in this process.

Councilman Hines said some of the residents are concerned about what is going to happen to that plant and if it is going to be decommissioned and possibly open the other pond in the Summerhouse area. Mr. Howard said the Summerhouse plant was purchased in 2008 and before the economy failed. Mr. Howard said the plant did not get used for quite some time and there are some improvements that need to be done to maximize the capacity there. Mr. Howard said recently with the plans for the new wastewater treatment plant that will utilize the Holly Ridge spray field they did not have a good plan for the interim capacity needs to transition those spray fields into the infiltration ponds. Right across the street at Summerhouse there is the potential to repair the plant we purchased and maximize the capacity there. Mr. Howard said right now they are only able to use less than two hundred thousand gallons per day, but the design capacity is four hundred thousand gallons per day which is larger than Holly Ridge claimed. Mr. Howard said we all know of your sewer capacity need, so it is a meeting opportunity to maximize the permitted designer capacity while we transition to a bigger plant. Mr. Howard stated some of that will have to deal with the infiltration pond, but it will not be as invasive as we originally thought, because the way those ponds work around the edges it is not the depth of the pond, so we may not have to go in like we thought.

Mr. Howard said a final decision has not been made and they are going to visit the site next week and hopefully by the end of July we have a report from engineering on what options we have.

*Request to Approve the ONWASA Administrative Service Agreement for the Operation of the Satellite Office*

Manager Reynolds said during the regular meeting that was held on the 14<sup>th</sup>, of June there were some concerns regarding the verbiage in the ONWASA agreement that included the Kiosk option. Manager Reynolds said following that meeting, there was a request for this item to come before the Town Council with our budget because it does pertain to our budget and can affect the bottom number as far as being paid to operate a satellite office. Manager Reynolds said it is the same agreement that was presented for the June 14<sup>th</sup>, 2022, regular meeting and it is back in front of the Town Council for consideration.

Mayor Pro-Tem Hall asked what the concerns were because she read it and did not see any.

Councilman Hines said article three about the kiosk. Councilman Hines said it gave us an option of keeping what we have or having a kiosk. Councilman Hines questioned whether that needed to be in the contract or not. Councilman Hines stated he did not think the Town Council would want the kiosk to come in the town hall and this is a contract, and it would have been good for Councilwoman Bragg and Mayor Pro-Tem Hall to have been at the meeting to hear about it.

Mayor Pro-Tem Hall said she saw where the contract stated, may have a kiosk and you never know, we might have an issue where we need to go down a person and that might be an option.

Councilman Hines said he could agree knowing if we ever went to a kiosk, it would be amended to state the responsibilities of each party. Councilman Hines said if we do go to a kiosk, we need to amend it where we have certain rules about what our rules are and what their rules are.

Councilwoman Bragg said she does remember some conversations about the kiosk, and will the kiosk be replacing an individual? Councilwoman Bragg said she had an emergency going on and that is why she was not at the meeting but normally she is at every meeting.

Mayor Wenzel said this is the same agreement that Swansboro and Richlands have and both towns have approved the ONWASA agreement.

Councilman Sholar said the contract says you can have a kiosk. It does not say who will pay the electric bill, when does the lobby have to be open and for how long. Councilman Sholar says the contract just says you can have it and that is it.

Mr. Howard said these are all things that could be amended in the contract if staffing was to change. Mr. Howard said if the town went with a kiosk there would be a lot more conversation such as location, whose is going to do what etc.

Councilman Hines asked if ONWASA went with doing away with the office, would we know before budget time so we could prepare for this. Mr. Howard stated that is correct.

Councilwoman Bragg asked were there any concerns from staff about a kiosk. Manager Reynolds said there were none because it was an option, and the town would have to initiate it whereas ONWASA could not initiate it from their standpoint. Manager Reynolds said it negates the whole section if we are not going to use the kiosk option.

Manager Reynolds said we are happy to run the ONWASA window. It is a supplement to our budget, and we understand it would be a huge impact to not have that. Manager Reynolds said there are a lot of elderly people who come into pay their bill and Tracy is like a sounding board for most of them. Manager Reynolds said she thinks it is a good idea to have the ONWASA window for our citizens.

A motion was made by **Councilman Hines** and seconded by **Mayor Pro-Tem Hall** to approve the ONWASA administrative service agreement for the operation of the Satellite office. **All Agreed.**

#### **Discussion and Possible Approval of Plans to Renovate the Town Hall**

Manager Reynolds said this also pertains to the budget because we had a capital outlay item included in the budget under Public Building and Grounds for town hall renovations to add additional office space. Manager Reynolds said we have requested two additional admin positions one being in the Community Development Department and the other being in Parks and Recreation.

Manager Reynolds said Community Development Director Nate Rhue drew a rough draft of the current conditions of the town hall and a proposed layout of town hall. Manager Reynolds said the hallway would move towards the front of the building closing in a portion of the lobby.

**Mayor Wenzel called for a recess at 6:27 p.m.**

**Mayor Wenzel called the meeting back to order at 6:30 p.m.**

Manager Reynolds said Attorney Fountain has some concerns about the item that we added the resolution for the IDF funds because it was not included on the original agenda. Manager Reynolds asked the Town Council to remove that item. Manager Reynolds said it does impact our budget so when we approve it, we will have to do a budget amendment.

A motion was made by **Mayor Pro-Tem Hall** and seconded by **Councilwoman Bragg** to amend the agenda to take off item 6-B Resolution for the updated IDF grant. **All Agreed.**

Manager Reynolds said in everyone's packet is a drawing by Nate Rhue regarding the sketch drawing of the renovations to the building. Originally town staff had presented to Town Council a drawing of extending the offices into the Town Council chambers and then possibly

moving the town council, re-branding, planning board and board of adjustment meetings over to the community building until an additional building could be built on the property by the town hall for expansion.

Manager Reynolds said Town Council was not in favor and that Town Council wanted us to utilize what we currently have.

Manager Reynolds stated the drawing that Mr. Rhue did moves the door to the Town Council chambers to the front and would close in the lobby so it is not such an open space, and it would create an additional office for the permitting admin for the Community Development department with a smaller window. It would take Tracy's office and split that in half to have the parks and recreation employee if approved in that office along with Tracy and Chuck would move over Tracy and the Parks and Recreation person and Nate would move into Chuck's office.

Manager Reynolds said with this design there are no offices with extensions into the Town Council chambers, so all the meetings could continue to be held here at the Town Hall.

Mayor Pro-Tem Hall asked if there was a wall between Tracy and the Parks and Recreation person. Manager Reynolds said that is correct. Manager Reynolds said we would like to have a partition between Tracy and the Parks and Recreation person. Manager Reynolds said we have also talked about adding a window for Parks and Recreation so our customers would have a place to go and speak with the Parks and Recreation person.

Manager Reynolds said another bonus with Nate's drawing was that we were able to create controlled access to the offices and the lobby area. Once you enter the lobby area there is only access to restrooms.

Mayor Pro-Tem Hall said she thought the plan was a good use of the space that we currently have.

Councilman Hines stated he knows what she is doing but he is looking ahead in the future and the plan was to build another building and expand in here. Councilman Hines said the central hallway would be a better way to do it because you would have offices on both sides. Councilman Hines said if you do what you are talking about, you will have to go through one office to get to another. Councilman Hines said he thinks the better plan would be to come straight down the existing hallway and he would utilize the council chambers as offices.

Manager Reynolds said that was the original design that we had proposed for the additional admin space, but the Town Council did not want the council chambers to be utilized, that is when we went back to the drawing board to try and utilize the space we already had. Manager Reynolds said we would also lose the controlled to access, and the community development department would be split as well as the lobby.

Councilman Hines stated you could still shorten the lobby and put a door where you could have control access coming down the hallway.

Manager Reynolds met with engineer Weston Lyall yesterday to see if he thought this would work and Mr. Lyall said he would increase the five feet to eight feet to account for any chairs or any type of seating we added into the lobby. Manager Reynolds said we need a consensus from the Town Council as to what kind of plan they want so we can move forward, and Mr. Lyall can draw a plan and we can put it out for bid.

Councilman Hines said it would be nice if we had a better detailed drawing than the one, we have. Mayor Pro-Tem Hall said engineers cost a lot of money. Councilman Hines said we are going to have to do it anyway. Manager Reynolds said we did the sketch first before we get the engineer draft. Manager Reynolds said at the last budget workshop, it was asked if we could put something on paper.

Mayor Wenzel asked if there could be two drawings made up instead of just one because it would be beneficial for the Town Council if there were two. Manager Reynolds stated we could.

A motion was made by *Councilwoman Bragg* and seconded by *Councilwoman Stanley* to allow Manager Reynolds to get several options and drawings for Town Council. *All Agreed.*

### Public Hearings

#### Continuation of Discussion and Possible Adoption of Proposed Fiscal Year 2022-2023 Municipal Budget and Budget Ordinance for the Town of Holly Ridge

Manager Reynolds said after our last budget meeting Mr. Strickland and Manager Reynolds were given direction to tweak a few line items. The fund balance appropriation increased by \$6000.00 which was for the purpose of MDT which are the computers inside of their vehicles.

Manager Reynolds said she was notified last week that the industrial development fund approved our additional request of \$685,000.00 for Phase II construction at Camp Davis Industrial Park which was going to be added but since we are not able to do the resolution, we will not make this change tonight.

Manager Reynolds said the tax rate decreased to thirty-five cents per one hundred from thirty-eight cents per one hundred and this year a penny was worth approximately \$64,000.00. There was a CPI increase for our solid waste and recycling contractor of two percent which the town has absorbed, so the citizens were not affected by their rates.

Manager Reynolds said almost all the departmental request were approved except for a gym facility for the Police Department, an increase to Turkey Creek Fire Department for their annual contract which was increased to \$10,500.00. We will continue to support Jacksonville Onslow Economic Development's campaign with our pledge of \$5,000.00 per year over five

years, but also go back and activate \$2500.00 for a general contribution to Jacksonville Economic Development since they have us facilitate Camp Davis Industrial Park.

Manager Reynolds said there was also a new contribution this year to the Greater Topsail Area Chamber of Commerce for their Regional Economic Development summit which Mr. Scott Franko is heading up.

Manager Reynolds stated this budget also includes up to three percent increase in merit for staff and a four percent COLA. Manager Reynolds said retirement cost did increase this year for both local general class and law enforcement. There are four additional positions included in the budget which is one in Parks and Recreation/Public Information Officer, and Code Enforcement Officer in Community Development and two additional in Public Works employees.

Manager Reynolds said we were able to put money in the street improvement line item and there was approximately \$47,000.00 that was unspent, and we were able to put an additional \$64,000.00 which equaled one penny of the tax rate into this account and resulting in just over \$100,000.00 that the town can use for street repairs and maintenance for the upcoming fiscal year.

Manager Reynolds said we removed one electronic sign and re-allocated those funds for re-branding initiatives in the amount of \$25,000.00. Manager Reynolds said once a seal is decided, we can move forward with some of the re-branding for this year.

Manager Reynolds said we also set aside \$30,000.00 for town decorations for Christmas and the Liberty Festival. Manager Reynolds said we included approximately \$101,000.00 for capital improvement for Parks and Recreation.

Manager Reynolds said at the last meeting we held for the Master Park Plan, priorities and the facilities and streets, Town Council prioritized the Morris Landing area because of the restrooms being installed which should be under construction within the next month or so. There would also be minor improvements to the boat ramp at Morris Landing, multi-use path, additional parking and trailer parking and improvement to the turn around area. Manager Reynolds said we also have preliminary approval from Coastal Federation for all the projects and they will assist us in looking for grants.

Manager Reynolds said there were quite a few line items created this year, mainly to clean up the budget and account for expenses that we have not had previously like the acquisition note for phase II of the industrial park. We added engineering and general conditions for phase II.

Manager Reynolds said for the Police Department FMRT which is the process that Chief Sorg, and Captain Waddell use for possible applicants was added. There is \$6,000.00 specifically for this line item.

Manager Reynolds said Verizon Fleet Connect is a new line item and this is the GPS tracking for all the town owned vehicles. In the past this was paid out of the cellphone line item. Manager Reynolds said a new line item was also added for IT services which is with Computer Warriors which was lumped in with contracted services and because it was town wide, we broke this out separate.

Manager Reynolds stated there was \$50,000.00 included in streetlights for the town to begin paying for streetlights in Summerhouse division. This brought this line item to over \$100,000.00. Manager Reynolds has spoken with Rickey Maready at Jones Onslow Electric Membership, and they are trying to transfer all the accounts to the town and maybe some kind of cost savings hopefully.

A motion was made by *Mayor Pro-Tem Hall* and seconded by *Councilman Hines* to go into Public Hearing. *All Agreed.*

A motion was made by *Mayor Pro-Tem Hall* and seconded by *Councilwoman Bragg* to return to Regular Session. *All Agreed.*

Mayor Pro-Tem Hall said there is not much difference between the last budget meeting and the meeting tonight and she would like for the Town Council to proceed with adopting the 2022-2023 budget.

Councilman Hines said he was hoping we could reduce the tax rate even lower than we did.

Joann Sowa asked when the budget season starts. Mayor Wenzel stated it starts early March. Ms. Sowa said she thinks some residents in Summerhouse will be a lot more involved next year.

A motion was made by *Mayor Pro-Tem Hall* and seconded by *Councilwoman Bragg* to adopt the budget for the fiscal year 2022-2023. *All Agreed.*

Councilman Hines asked with the environmental issues that were discussed about Summerhouse is there anything we need to do so that they may have an answer to help them out.

Manager Reynolds said she made a note for Nate when he gets back in town to discuss the garbage that is being left on the job site and the contractors not doing a great job regarding the environmental issues. Manager Reynolds stated she would reach out to the residents in Summerhouse once she has answers.

Joann Sowa stated when the property re-evaluations came out there was a lot of grumbling. Ms. Sowa said it looks like the tax rate is not being reduced so there is going to be a lot of increased tax bills. Ms. Sowa said Mr. Strickland has volunteered to come and speak with the HOA in Summerhouse and the residents are going to want to see with the increase what they are going to be paying for.

Councilman Sholar said you need to think about when you decrease taxes to much, and the following year we must turn around and raise taxes it is worse.

Ms. Sowa said she understands but she thought we were locked in for about four years with the tax re-evaluations. Ms. Sowa said there are going to be a lot of people hit hard by this. Mayor Wenzel said this is the county.

Mayor Wenzel asked what was the budget amount that the town put aside for the streetlights in Summerhouse. Ms. Sowa stated she thinks it was around \$50,000.00 and the HOA in Summerhouse has leased them for around 15 years, and they should be paid off.

**Persons Wishing to Address the Town Council**

**Mayor Wenzel called for a recess at 7:02 p.m.**

**Mayor Wenzel called the meeting back to order at 7:17 p.m.**

**Closed Session**

To discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body per NCGS 143-318.11 (a) (4)

A motion was made by **Councilman Hines** and seconded by **Mayor Pro-Tem Hall** to go into Closed Session. **All Agreed.**

Mayor Wenzel stated no action was taken during Closed Session.

**Continuation of Discussion and Possible Adoption of Proposed Fiscal Year 2022-2023 Municipal Budget and Budget Ordinance for the Town of Holly Ridge**

Manager Reynolds said she had updated the numbers for the proposed budget with all the changes.

Manager Reynolds read the following:

General fund totals \$8,080,329.75

Powell Bill \$109,700.00

Tax Rate will now be 35 cents which reflects a 3-cent reduction

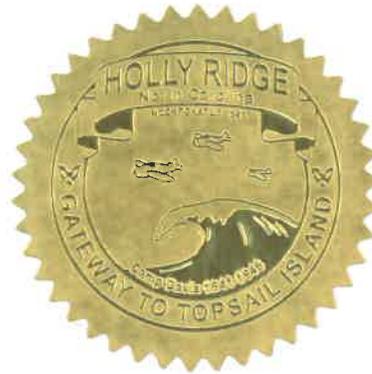
Manager Reynolds said section 5 states what the town manager is authorized to do and none of the language has changed from previous years and this budget will run from July 1, 2022, to June 30<sup>th</sup>, 2023.

A motion was made by **Mayor Pro-Tem Hall** and seconded by **Councilwoman Bragg** to adopt the ordinance for the proposed budget. **All Agreed.**

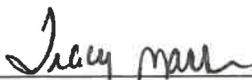
*Adjournment*

A motion was made by *Councilman Hines* and seconded by *Councilman Sholar* to adjourn at 8:05 p.m. *All Agreed.*

*Attest:*



  
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*Jeff Wenzel, Mayor*

  
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*Tracy Martin, Deputy Clerk*

*These minutes were recorded and prepared by Deputy Town Clerk, Tracy Martin.*