

# Town of HOLLY RIDGE

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## HOLLY RIDGE TOWN COUNCIL EMERGENCY MEETING

October 6th, 2023  
12:30 P.M.

Mayor Jeff Wenzel called the Regular Meeting of the Holly Ridge Town Council to order at 12:35 p.m. at the Holly Ridge Town Hall. Council members present were Councilman Sholar, Mayor Pro-Tem Hall, Councilman Hines, Councilwoman Stanley, and Councilwoman Bragg. Also present were the Town Manager, Heather Reynolds, Deputy Clerk, Tracy Martin.

### Invocation and Pledge

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

Mayor Wenzel asked what the purpose of this meeting was and the goals coming out of it. Manager Reynolds said the purpose is to give the Mayor and the Town Council an update on the Holly Plaza Apartments and ask for authorization for the Town Council to move forward with a management plan to bring that property under the day-to-day management of the Town and create said management plan and submit it to HUD (Housing and Urban Development) for approval and talk about legal representation.

### Adoption of Agenda

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

### Persons Wishing to Address the Council

**Provide an Update and Request Guidance from the Town Council concerning the Holly Ridge Housing Authority. Possible Action may be taken.**

Manager Reynolds said two weeks ago a resident from the Holly Ridge Housing Authority came to her with a p-tree dish of possible mold that was from her air duct. She indicated some of the conditions were not acceptable. At that time Manager Reynolds and some staff went to her apartment. Manager Reynolds said when they entered the apartment, there was standing water in the floor, some neglected issues, light fixtures hanging from the ceiling with wires exposed.

Manager Reynolds said they went back the next day and while they were at this apartment, there was a unit supposedly rent ready for a tenant to move in. The tenant was in the process of moving in and gave us permission to enter the apartment to see what it looked like. Manager Reynolds said it was by far from move in ready.

Manager Reynolds said the on-site property manager walked up to the property at that time and we asked her if she felt like the apartment was move in ready. The property manager said she does not have the authorization to do anything with the apartments because it must go through her Regional Property Manager and there were no contractors or cleaning services for the apartments to be turned over correctly. Manager Reynolds said this is a big problem. First you have the deferred maintenance and not turning the units properly so when you have a break between tenants that should be when you are going in and fixing anything that needs to be addressed.

Manager Reynolds contacted Attorney Fountain and set up a meeting with the management company for this past Monday. The management company met with us, and we were not thrilled with their responses. When we asked for additional details, they threatened to quit. Manager Reynolds said the meeting ended on a good note and we agreed to do property inspections. Most of the tenants had been notified that Pendergraph and the Town of Holly Ridge were going to come in and do joint inspections on Thursday. Manager Reynolds said Pendergraph decided at that time they no longer wanted to do the inspections on Thursday.

Manager Reynolds said we as a Town would continue to do that for anyone that would allow us to go into their apartments. We created a sheet of paper with the tenants' signature and their unit number saying the Town did not strong arm anyone to enter their apartment. The tenants were more than accommodating, and it is clear they have had problems that have not been addressed.

Manager Reynolds said Pendergraph personnel were on-site as well, and it was clearly an issue. They questioned why we had police present and a builder inspector there and they did not want us to take pictures. Manager Reynolds said at the end of the day we are the owners, and we could be on the property regardless.

Manager Reynolds said because of the animosity about the Town moving forward with that inspection and Pendergraph not being there, a representative from Pendergraph submitted their resignation letter yesterday. Pendergraph has put the Town on a sixty-day notice that they will terminate the contract. Manager Reynolds said they have notified HUD and HUD has said for the Town to take over the property for day-to-day management, we need a written management plan in place. There needs to be staff that are trained in their systems so re-certifications can take place.

Finance Director Chuck Strickland said HUD does not provide training themselves, but they recommended companies that do have courses that we go through to be not only proficient in rules not only for HUD but re-certifications for USDA, re-certification process. There are training courses out there.

Councilman Hines asked who the staff was that confronted the Town staff when they were over there. Manager Reynolds said she thinks it was someone from their office, Mr. Kyle Gibson was there. Councilman Hines asked if Mr. Gibson went on the inspections with the Town staff. Manager Reynolds said they did not want to go to the inspections because they wanted to have their HVAC person go with Town staff on the inspections, but we were not just looking at HVAC's. Manager Reynolds said we wanted to see the walls and most of the apartments do not have smoke detectors. Councilman Hines said that person could have gone to the inspections with you and Manager Reynolds stated absolutely. Manager Reynolds said the Town staff did not invite him to go with us, but he could have come with us on these inspections.

Mayor Wenzel said Manager Reynolds is requesting guidance from the Town Council concerning this, and Manager Reynolds wants staff to go ahead and start writing up the management plan and staff training. Mayor Wenzel asked if we are looking to do this internally or will the town hire more people to handle this. Manager Reynolds said she and Mr. Strickland have been talking about that, and the best course of action is for Mr. Strickland and herself to possibly go through the training. Manager Reynolds said when we bring someone else on board, we would be able to train them. Manager Reynolds said we could say we have HUD training or FIRMA training. Manager Reynolds said we would have to hire a full-time property manager and at least one, if not two additional Public Works people. This way it is the same people going in and out of the apartments. The residents have had so many different people coming in and out of their apartment, they are no longer comfortable opening their doors anymore.

Mayor Wenzel asked how much we are paying the management company. Manager Reynolds said we are still determining that. Mayor Wenzel said he is talking in general. Mayor Wenzel said we are talking about bringing on one to three staff people for this, there is a cost for that. What are we currently paying the management company?

Mayor Pro-Tem Hall said the question is for Manager Reynolds to read the plan and that information will come out in the plan. Mayor Pro-Tem Hall said Manager Reynolds will bring the plan back to the Town Council before she presents it to HUD. Mayor Pro-Tem Hall said she thinks the Town Council will hear all the stuff such as the details of hiring, training and where that person is going to reside.

Manager Reynolds said we would have to make a budget amendment to add a separate department and it would be like the Powell Bill revenues and expenditures. Manager Reynolds said because it is Federal money, they would most likely want a separate account.

Mayor Pro-Tem Hall said today, Manager Reynolds wants the Town Council to say go forth and create a plan. Manager Reynolds said yes, we are still going through the financials to see what the property brings in and expends etc. Manager Reynolds said she could not answer that question accurately today.

Mayor Wenzel asked if we paid Pendergraph a certain amount to oversee the property. Finance Director Chuck Strickland said not really, they take out of rental persons and the subsidies they

receive, and Mr. Strickland is needing more information to read through their Profit and Loss and once he does that, he will have more accurate numbers. Councilman Hines asked if the Town pays anything and Manager Reynolds said no, the property is self-contained.

Councilman Hines asked if Manager Reynolds would like to be directed for an attorney to seek council in a motion. Manager Reynolds said yes.

Manager Reynolds said this is a very delicate situation and it is the Town's goal not to displace anyone and we are very sensitive to that, and we are aware that a lot of the citizens are worried about that, and we will do whatever we can to try and mitigate that. Manager Reynolds said she has spoken with some attorneys about FEMA getting involved and bringing some temporary homes.

Mayor Wenzel said if there is a temporary displacement to get that, no one wants a temporary displacement, but we must do it the right way.

Mayor Pro-Tem Hall said Manager Reynolds mentioned legal counsel, are you going to seek someone that specializes in this. Manager Reynolds said she would like to. Manager Reynolds said we need to move fast to mitigate liability.

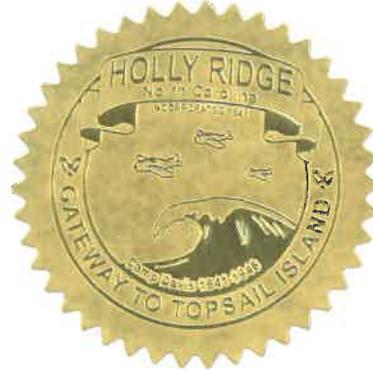
Mayor Wenzel asked if there is a motion prepared that Town Council could make and then second. Manager Reynolds said the motion would be to authorize the Town Manager to move forward with preparing a management plan to present it back to the Town Council for approval prior to HUD submission and authorize the manager to hire additional legal counsel.

A motion was made by **Councilman Hines** and seconded by **Councilman Sholar** to authorize the Town Manager to move forward with preparing a management plan to present it back to the Town Council for approval prior to HUD submission and authorize the manager to hire additional legal counsel. **All Agreed.**

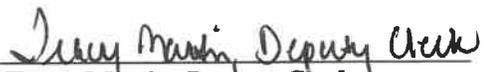
### **Adjournment**

A motion was made by **Councilman Hines** and seconded by **Mayor Pro-Tem Hall** to adjourn at 12:50 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.*