

The Town of Spring Lake

BOARD OF ALDERMEN

Taimoor Aziz, Mayor Pro Tem
Sofia L. Cooper, Alderwoman
Jackie Jackson, Alderwoman
James P. O'Garra, Alderman
Fredricka Sutherland, Alderwoman



CHARTERED IN 1951

OFFICE OF THE MAYOR

Larry G. Dobbins, Mayor

ADMINISTRATION

S. Wullenwaber, Interim Town Manager
Melissa Pereira, Interim Town Clerk
R. Jonathan Charleston, Town Attorney

Board of Aldermen Work Session Meeting November 8, 2021@6:00 p.m. Agenda

1. Call Meeting to Order
2. Invocation and Pledge of Allegiance
3. Approval of Agenda
4. Additions or Deletions
5. Approval of Consent Items
 - a. Draft Minutes of the October 25, 2021, Regular Meeting
6. Public Comment (Limit: 3 minutes per speaker)
7. Presentation
 - a. Proclamation – Johnny's Barbershop - Mayor Dobbins
8. Closed Session
 - a. Pursuant to N.C.G.S. 143-318.11(a)(6) - Personnel
9. Adjournment

Town of Spring Lake
Regular Meeting of the Board of Aldermen
Municipal Building
300 Ruth Street
Spring Lake, NC 28390

October 25, 2021

MINUTES

6:00 p.m.

The Spring Lake Board of Aldermen held a regular meeting in the Grady Howard Conference Room of the Spring Lake Municipal Building with Mayor Larry G. Dobbins presiding.

Board Members Present: Mayor Pro Tem Taimoor Aziz
Alderwoman Soña Cooper
Alderman James O'Garra
Alderwoman Fredricka Sutherland

Board Members Absent: Alderwoman Jackie Jackson

Others Present:

Samantha Wullenwaber, Interim Town Manager
Jonathan Charleston, Town Attorney
Melissa Pereira, Interim Town Clerk
Benard Lemon, Audio Visual Coordinator
Sharon Edmundson, Secretary, North Carolina Local Government Commission
David Erwin, North Carolina Department of State Treasurer
Mark Baker, North Carolina Department of State Treasurer
Dysoaneik Spellman, Interim Police Chief
Jason Williams, Fire Chief

1. Invocation and Pledge of Allegiance

Mayor Dobbins declared a quorum and called the meeting to order.

Alderwoman Sutherland gave the invocation and led the Pledge of Allegiance.

2. Additions or Deletions

Alderwoman Sutherland requested to add item 5d discussion of recognition to Johnny's Barbershop for 50 years of service, and item 5e discussion of the Christmas Tree Lighting ceremony under New Business. Aldermen O'Garra requested to delete item 7, Closed Session, N.C.G.S. 143-318.11(a)(6), Personnel.

3. Approval of Agenda

Action: Approval of the October 25, 2021 Board of Aldermen Regular Meeting agenda with additions and deletions.

Motion by: Mayor Pro tem Aziz

Second by: Alderman O'Garra

Vote: Unanimous

4. Approval of Consent Items

Action: Approval of the draft minutes of August 23, 2021, Regular Meeting, draft minutes of the September 13, 2021, Work Session Meeting, and draft minutes of September 27, 2021, Regular Meeting.

Motion by: Alderwoman Sutherland

Second by: Alderwoman Cooper

Vote: Unanimous

5. New Business

a. Local Government Commission Update

Ms. Sharon Edmundson presented to the board. She stated at the October 5, 2021 Local Government Commission meeting they adopted a Resolution to impound the books and assume control of the financial affairs of the town. Ms. Edmundson updated the Board on why the Local Government Commission is now in control of the town's finances, and what that means going forward. Ms. Edmundson stated they have kept a close eye on the town's finances with concerns from potential mismanagement, misappropriation of funds, budgeting issues, and inadequate cash flows. Ms. Edmundson stated because of the possibility of the town not meeting its November debt service payments spurred the action to take control. Ms. Edmundson stated they will find a resolution for the \$1.2 million unapproved loan for the new fire station. Ms. Edmundson stated the town will be able to make the payments in November, and a cash flow analysis is underway to determine how much revenue the town will receive during the remainder of the year. Ms. Edmundson stated it is required by law to make debt service payments, which is the priority. Ms. Edmundson stated the town has to make adjustments for a more stable financial future. Ms. Edmundson stated the Local Government Commission will make all the town's final budget decisions going forward but will listen to input from the town's elected leaders. Ms. Edmundson stated if they are still here next Spring, the Local Government Commission will adopt next year's budget with the Board's input. Ms. Edmundson had concerns with the town's bookkeeping. Ms. Edmundson stated until the bookkeeping is in order, the town's 2021 audit will not be on time. Ms. Edmundson stated once the audit is complete and the bookkeeping is caught up; there will be a more accurate picture of where things are in terms of financial standing. Ms. Edmundson stated the town's operations will not change. Ms. Edmundson stated Ms. Samantha Wullenwaber will still be the Town Manager and Finance Officer, and David Erwin will be the Deputy Finance Officer. Ms. Edmundson gave details about documenting expenditures, and any credit cards purchases that have to be pre-authorized by finance. Ms. Edmundson stated staff can continue to use fuel cards as long as those are documented properly and if not, those will be pulled as well.

Ms. Edmundson stated once the LGC has progress with the town's finances, they will start working with staff on updating the town's personnel policy because it has not been updated since 1999. Ms. Edmundson expressed it was not their intent to disrupt the town or its services. Ms. Edmundson stated if she is contacted by a board member anything she shares with one board member she will share with the entire board unless it's highly confidential. Ms. Edmundson gave details about the Local Government Commission website for any updated information. Ms. Edmundson stated she urges individuals not listen to gossip, rumors, or speculations; it is so much better to come to the source. Ms. Edmundson stated the town's wastewater treatment plant is nearing the end of its life, and they are determining what options we have. Ms. Edmundson stated in the revenue collections department there are not the appropriate policies or

procedures established in that area, and the LGC staff will be working with Ms. Wullenwaber to implement these policies and procedures.

Ms. Edmundson stated the town has very rich benefits compared to other towns in size, and that's something else they will take a look at. Ms. Edmundson stated once the bookkeeping is caught up, they will start reporting to the department heads and the Board. Ms. Edmundson had concerns that the Board hasn't had strong interim financial reporting in a long time, and that's primarily due to the way the books have been kept. Ms. Edmundson stated when there are large purchases or projects that there is sufficient review and forecasting done before those contracts are entered into. Ms. Edmundson stated the town entered the contract for two fire trucks, and could not afford them, and the new fire station should have been approved by the Local Government Commission. Ms. Edmundson gave details about large amounts of money being spent on economic development in 2020, and nothing to show for it. Ms. Edmundson asked if anyone had any questions?

Mayor Pro tem Aziz had concerns about how long the external control will last. Ms. Edmundson stated she does not know because they are very early in the process. Alderwoman Sutherland had concerns about the 2021 audit and the new audit firm. Ms. Edmundson stated they do have an auditor and as soon as the books are in optical condition, and then the firm can start the audit. Alderwoman Sutherland had concerns about the town paying higher taxes, the poor conditions of the town's infrastructures, roads, and services. Alderwoman Sutherland had concerns about the Local Government Commission taking over the town's finances and budget amendments coming before the Board. Alderwoman Sutherland asked will the budget amendments come before the Board? Ms. Edmundson stated they will come before the Board as an information item but will be adopted by the Local Government Commission. Alderwoman Sutherland had concerns about the American Rescue Plan that is in a separate account. Ms. Edmundson stated yes, and it has to be identifiable in your accounting system. Ms. Edmundson stated the wastewater treatment plant requires repairs. Ms. Edmundson gave details about the House of Representatives and Senate who have between half of a million to a billion dollars at the state level that will be available to local governments for water and sewer infrastructure. Ms. Wullenwaber stated the town is getting a little over \$3.8 million, and so far, have received \$1.9 million. Alderwoman Sutherland asked about the emergency fund in case of a hurricane. Ms. Wullenwaber stated the town has a small amount of money in co-mingled funds in case of an emergency.

Alderman O'Garra had concerns about the wastewater treatment plant. Ms. Edmundson stated the plant is very old and was damaged by Hurricane Florence. Alderman O'Garra had concerns about high expenditures with economic development. Ms. Edmundson stated large dollars in hotels, meals, and gas in 2019 and 2020. Ms. Edmundson stated she will retrieve the information and send it to the Board.

Alderwoman Cooper thanked the Local Government Commission and she supports their interaction, and her concern is to why the firm that conducted the town's annual audits went unnoticed for two years. Ms. Edmundson stated the firm found several findings and the LGC shares the same concern. Alderwoman ??? had concerns about a large number of expenditures with economic development. Ms. Edmundson stated they will send the Board documentation. Alderwoman Coper stated in the past she was never authorized to acquire the economic development receipts. Alderwoman Cooper had concerns about the FEMA money. Ms. Edmundson stated they are checking on the allocation. Alderwoman Cooper had concerns about the new fire station loan because she thought Cumberland County would pay for servicing the Manchester area. Ms. Edmundson stated the issue is not about where the money will come from to pay the loan, the issue is a \$1 million loan that was not approved by the Local Government Commission.

Aldерwoman ??? asked about hiring a finance director. Ms. Wullenwaber stated yes, the position is still being advertised.

Mayor Dobbins asked if the Local Government Commission work with the state auditors. Ms. Edmundson stated they work in conjunction with them but they have their role and the LGC has theirs. Mayor Dobbins asked Ms. Edmundson if she could help the citizens understand each role and how the information at some point comes together with our financial unhealthiness. Ms. Edmundson stated the Auditor's Office is responsible for doing investigations like the one being conducted in Spring Lake. Ms. Edmundson stated the auditors can contact the LGC for more information but they are not involved in their investigations.

6. Public Comment

Mayor Dobbins opened the public forum.

Ms. Gwen Speas had concerns about what actions are being implemented for the town's finance department to take back control from the Local Government Commission, and will these actions cause an increase in the town taxes. Ms. Edmundson stated they are still in the early stages of the process but they will keep the town citizens informed. Ms. Edmundson stated the last resort would be to raise taxes.

Ms. Stachia Arnold had concerns about the information being presented correctly to the town citizens. Ms. Arnold had concerns about change but does not know what to change or work toward because of no specific reason for what led to the town's deficit. Ms. Edmundson stated she understands her frustration. Ms. Arnold stated taxpayers need to know, and they can sit here and point fingers all day long, and some of these people were here, and some of them were not. She further stated new people are coming, but the town still has no answers. Ms. Arnold had concerns about something being uncovered. Ms. Edmundson stated there are a bunch of moving parts here, and the investigation is being done by the state auditor.

Mr. Marvin Lackman expressed thanks to the state auditors and the Local Government Commission for exposing the secrets as well as rebuilding the town's foundation. Mr. Lackman stated some board members failed to listen to concerned residents.

Mr. Chesley Lockett had concerns about the town being in the worst shape he has ever seen. Mr. Lockett stated he worked for the town for 10 years.

Ms. Kia Anthony expressed thanks to the Local Government Commission for interceding which now provides truth and transparency.

Mr. John Russell had concerns about the town's historical financial issues.

a. Halloween Trick or Treat Hours

Interim Police Chief Dysoaneik Spellman recommended the Halloween Trick or Treat hours be scheduled from 6:00 p.m. to 8:00 p.m. on October 30, 2021, which coincides with Cumberland County.

Action: Approval of Halloween Trick or Treat hours from 6:00 p.m. to 8:00 p.m. on October 30, 2021.

Motion: Alderwoman Sutherland

Second by: Alderman O'Garra

Vote: Unanimous

b. Resolution (2021) 10, 2022 Holiday Schedule

Ms. Melissa Pereira requested approval for the Resolution (2021) 10, 2022 Holiday Schedule. Alderwoman Sutherland had concerns for employees who are furloughed on Fridays when holidays fall on these days. Ms. Wullenwaber stated town policy states if a holiday falls on a weekend we observe on that Friday or Monday, however, if an employee is scheduled to be off on that Friday, they could take another day close to the holiday schedule.

Action: Approval of Resolution (2021) 10, 2022 holiday schedule.

Motion: Alderwoman Cooper

Second by: Alderman O'Garra

Vote: Unanimous

c. Discussion of recognition to Johnny's Barbershop for 50 years of service

Alderwoman Sutherland requested for the town to recognize businesses in the community that have provided services. Alderwoman Sutherland requested the town to give Johnny's Barbershop a certificate for his 50 years of service. Mayor Pro tem Aziz recommended a Proclamation. Mayor Pro tem Aziz suggested to give proclamations to Spring Lake businesses.

Action: Approval of giving proclamations to Spring Lake business owners for the years of service.

Motion: Alderwoman Sutherland

Second by: Mayor Pro tem Aziz

Vote: Unanimous

d. Discussion of Christmas Tree Lighting

Alderwoman Sutherland asked what day will the town perform the Christmas Tree lighting. Alderwoman Sutherland stated the town usually performs the Christmas Tree lighting the first week of December. Ms. Wullenwaber stated she will set a date.

7. Adjournment

Action: There being no further business to come before the Board, the meeting was adjourned at 7:09 p.m.

Motion: Alderwoman Cooper

Second by: Mayor Pro tem Aziz

Vote: Unanimous

Larry G. Dobbins

ATTEST:

Melissa Pereira
Interim Town Clerk