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

June 23, 2014

MINUTES

7:28 p.m.

The Spring Lake Board of Aldermen held a regular scheduled meeting in the Grady Howard Conference Room of the Spring Lake Municipal Building with Mayor Chris V. Rey presiding.

**Board Members Present:** 

Mayor Pro Tem James O'Garra Alderman James Christian Alderman Richard Higgins Alderwoman Densie Lucas

Alderwoman Fredricka Sutherland

Others Present:

Ken Metcalf, Town Manager

Byron Blumenfeld, Water Resource Manager

Rosa Henegan, Human Resources Director

Tony Buzzard, Town Attorney

JC Combs, Assistant Recreation Director

Paul Hoover, Public Works Director

John Kleinhert, Maintenance Director

T.J. McLamb, Fire Chief

Troy McDuffie, Police Chief

Tina West, Interim Finance Director

Rhonda Webb, Town Clerk

#### 2. Invocation

Alderman Higgins gave a non-sectarian invocation.

#### 3. Pledge of Allegiance

Mayor Rey led the meeting in the pledge of allegiance.

#### 4. Additions or Deletions to Agenda

There was a typo on the agenda which was corrected to read item 9. New Business, j. Budget Ordinance (2014) 12 instead of Budget Ordinance (2014) 10.

#### 5. Approval of Agenda

The Board approved the agenda.

Action: The Board approved a motion to approve the agenda as amended.

Motion by: Alderman Higgins

Second by: Mayor Pro Tem O'Garra

Vote: Unanimous

(A copy of the agenda is hereby incorporated by reference and made a part of these minutes – see attachment one.)

## 6. Approval of Consent Items

The Board approved the consent items:

- a. Minutes of the May 22, 2014 Special Meeting
- b. Minutes of the May 29, 2014 Special Meeting
- c. Minutes of the June 9, 2014 Special Meeting
- d. Minutes of the June 9, 2014 Regular Meeting

**Action:** The Board approved a motion to approve the consent items which consist of the minutes from May 22 <sup>nd</sup> Special Meeting, May 29<sup>th</sup> Special Meeting and June 9<sup>th</sup> Special Meeting and June 9<sup>th</sup> Regular Meeting.

Motion by: Alderwoman Sutherland

Second by: Alderman Higgins

**Vote:** Unanimous

#### 7. Public Forum

No one spoke at the Public Forum. Mayor Rey opened the floor for comments regarding the land swap. No one spoke for or against the land swap.

#### 8. Presentation

#### a. Presentation, Memorial Day Tribute Appreciation

Mayor Rey and Mr. Metcalf presented certificates of appreciation to attendees who helped make the Memorial Day Tribute a success.

(A copy of the agenda memo is hereby incorporated by reference and made a part of these minutes – see attachment two.)

#### 9. New Business

#### a. Resolution (2014) 12, Authorizing Exchange of Property

Mr. Hoover advised the Town and BBC Enterprises have agreed to exchange tracts of land which is beneficial to both parties. The Town will gain property that may be used at a future date to build a law enforcement center and the exchange will allow BBC Enterprises to gain property that is adjacent to property they already own.

Action: The Board approved a motion to approve Resolution (2014) 12.

Motion by: Alderman Higgins

Second by: Mayor Pro Tem O'Garra

**Vote:** Unanimous

(A copy of the agenda memo, land appraisal summary reports and Resolution (2014) 12 is hereby incorporated by reference and made a part of these minutes – see attachment three.)

# b. Board to Consider Accepting Water and Sewer Utilities at Balsawood Circle

Mr. Hoover requested the Board accept the water and sewer utilities at Balsawood Circle. He advised they were constructed in accordance with the town's design standards. He recommended the Board accept the utilities into the Town and into our system.

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Action: The Board approved a motion to accept the utilities into the Town of Spring Lake.

Motion by: Alderman Christian Second by: Mayor Pro Tem O'Garra

**Vote:** Unanimous

(A copy of the agenda memo and letter from Kingdom Community Development Corporation is hereby incorporated by reference and made a part of these minutes – see attachment four.)

#### c. Resolution (2014) 13, Petition for Annexation, Boyd Property

Ms. Webb presented Resolution (2014) 13, a petition for annexation from Mr. and Mrs. Boyd for property located on Manchester Road. This property is contiguous to the Town. If the Board approves Resolution (2014) 13 it will direct the Clerk to investigate the sufficiency of the petition, direct staff to conduct a feasibility study and authorize the Clerk to set the Public Hearing date if all is found to be in order.

Action: The Board approved a motion to approve Resolution (2014) 13.

Motion by: Mayor Pro Tem O'Garra

Second by: Alderman Higgins

**Vote:** Unanimous

(A copy of the agenda memo, Resolution (2014) 13 and petition for annexation is hereby incorporated by reference and made a part of these minutes – see attachment five.)

## d. Case 14-069, Consideration of the RLM Phase III; Request for a M1(P) Site Plan Review

Mr. Scott presented Case 14-069, a request for M1(P) site plan review located at 1027, 1033 and 1041 Marvin Lucas Parkway. The applicant is requesting this approval to expand their current operations. Mr. Scott recommended approval with conditions.

Action: The Board approved a motion to approve Case 14-069.

Motion by: Alderwoman Sutherland Second by: Alderman Christian

**Vote:** Unanimous

(A copy of the agenda memo, Budget Amendment 2014.24 and Memorandums from Recreation Department is hereby incorporated by reference and made a part of these minutes – see attachment six.)

#### e. Budget Amendment 2014.22, Fire Department

Ms. West advised Budget Amendment 2014.22 is to recognize revenue associated with the receipt of an insurance settlement for a fire department radio that was damaged. This Budget Amendment also appropriates expenditures incurred when replacing the radio.

Action: The Board approved a motion to approve Budget Amendment 2014.22.

Motion by: Alderman Higgins Second by: Alderman Christian

Vote: Unanimous

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(A copy of the agenda memo and Budget Amendment 2014.22 is hereby incorporated by reference and made a part of these minutes – see attachment seven.)

#### f. Budget Amendment 2014.25a - 2014.25d, Fleet Department

Ms. West advised Budget Amendment 2014.25 a-d is to redistribute expenses associated with the fleet maintenance department back into each department that utilized their services. This Budget Amendment allocated the contingency funding to the appropriate department's budget.

Action: The Board approved a motion to approve Budget Amendment 2014.25a-d.

Motion by: Alderman Higgins Second by: Alderman Christian

**Vote:** Unanimous

(A copy of the agenda memo and Budget Amendment 2014.25 a-d is hereby incorporated by reference and made a part of these minutes – see attachment eight.)

## g. Budget Amendment 2014.26a - 2014.26b, Year End

Ms. West advised the year end clean up budget amendment allows cushion room to keep the Town from violating the Budget and Fiscal control Act when closing out the year.

Action: The Board approved a motion to approve Budget Amendment 2014.26a – 2014.26b.

Motion by: Mayor Pro Tem O'Garra

Second by: Alderman Higgins

**Vote:** Unanimous

(A copy of the agenda memo and Budget Amendment 2014.26a-b is hereby incorporated by reference and made a part of these minutes – see attachment nine.)

#### h. Ordinance (2014) 8 and Ordinance (2014) 9, Amending Chapter 40, Second Notices

Ms. West advised at the May 22<sup>nd</sup> workshop the Board expressed a desire to provide second notices to water customers. Ordinance (2014) 8 and Ordinance (2014) 9 will amend the Ordinances to allow this change. Section 40-262 changes the disconnect date from the 20<sup>th</sup> to the close of business on the 25<sup>th</sup> of each month and authorizes the billing of a second notice. Section 40-378 establishes the requirement to mail a second notice. Alderwoman Sutherland inquired if the automated call out system was included in this amendment and Ms. West advised it is included. Notices will be mailed until October 2014 at which time the system will place a phone call which will save the Town money.

**Action:** The Board approved a motion to approve Ordinance (2014) 8, Section 40.378 and Ordinance (2014) 9, Section 40-262.

Motion by: Alderwoman Sutherland

Second by: Alderman Christian

**Vote:** Unanimous

(A copy of the agenda memo, current ordinance showing recommended changes, Ordinance (2014) 8 and Ordinance (2014) 9 is hereby incorporated by reference and made a part of these minutes – see attachment ten.)

#### i. Ordinance (2014) 10 and Ordinance (2014) 11, Amending Chapter 40, Deposit and Reconnection Fee

Ms. West advised at the May 22<sup>nd</sup> workshop the Board expressed a desire to change the water account deposit amount. Ordinance (2014) 10 and Ordinance (2014) 11 will amend the Ordinances to allow this change. Section 40-406 removes the rates established for individual utility deposits and references the Rate and Fee Schedule. Section 40-264 allows staff to review a customer's payment history prior to requiring the customer to increase their level of deposit to the next tier as set in the Town's Rate and Fee Schedule. She also advised the current Ordinance does not address the time frame that customers have to fulfill the required deposit payment. This amendment also allows customers to pay deposit in two installments. Alderwoman Sutherland clarified that the previous tier which was \$200 and went to \$150 is only for non-home owners and renters who have bad credit. Mayor Rey clarified that people who have to pay the \$150 will have the option to pay in two payments. Mayor Rey also clarified that at the six month period we will evaluate this method to ensure it is working properly and not causing the Town to lose money.

**Action:** The Board approved a motion to approve Ordinance (2014) 10 and Ordinance (2014) 11.

Motion by: Alderman Christian Second by: Alderwoman Lucas

**Vote:** 3-2

Yes

Alderman Christian

Alderwoman Lucas
Alderwoman Sutherland

No

Mayor Pro Tem O'Garra

Alderman Higgins

(A copy of the agenda memo, current ordinance showing recommended changes, Ordinance (2014) 10 and Ordinance (2014) 11 is hereby incorporated by reference and made a part of these minutes – see attachment eleven.)

## j. Budget Ordinance (2014) 12, FYE 2015

Ms. West asked the Board to approve Budget Ordinance (2014) 12 which will approve the FYE 2015 budget for the Town.

Alderman Christian stated his is not happy with everything in the budget but he appreciates all the hard work that went into it.

Mayor Pro Tem O'Garra stated he would like to have the opportunity to go through this budget one more time. Once we raise taxes there is no going back. He believes we should wait until next year to raise taxes.

Alderwoman Sutherland asked Mayor Rey to restate for the citizen's benefit the necessity to raise taxes. Mayor Rey stated he believes, based off of the information provided by staff, that this is the best budget that will not only impact our Town now but long term. He stated it is critical that people understand there is approximately \$500,000 (one-half million dollars) of expenses that will be coming next year. There are two positions that equate to about \$130,000+ that will not be funded this year just to make this budget work and this is only one example. Getting staff up to full capacity will increase our budget, loans that will come due will increase our budget and the cost of doing business has increased our budget. We have the same amount of money that comes in every year and the revenue continues to be the same but the cost of doing business continues to

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increase. The problem we have is that we are truly a bedroom community and out tax base comes from the residents. The businesses we have do not generate enough revenue to offset the increases that are needed. Until the value of our homes increases and there are increases in large businesses that come to Spring Lake, our revenues are based off of residents. He stated he believes, based off of conversations he has had with residents, they are willing to absorb a 4 cent increase if it means having more fire and police protection. Based off of the budget that has been presented to us, he believes this is our best option for the long term growth of our Town

Mayor Pro Tem O'Garra stated that he was tasked at the last meeting to find \$150,000 to get the budget right. He stated he found \$166,000 but it doesn't look like that it working and businesses will think twice before they come to a place with the highest taxes and water in the County. This is not the way to make this Town progress. We have got to find it and it's our job up here to find it. He stated he can't see making the citizens pay for what he has seen in the past.

Action: The Board approved a motion to approve Budget Ordinance (2014) 12.

Motion by: Alderwoman Sutherland

Second by: Alderman Christian

Vote: 4-1

Yes No

Alderman Christian Mayor Pro Tem O'Garra

Alderman Higgins Alderwoman Lucas

Alderwoman Sutherland

(A copy of the agenda memo and Budget Ordinance (2014) 12 is hereby incorporated by reference and made a part of these minutes – see attachment twelve.)

## 10. Closing Comments Mayor Pro Tem O'Garra

- I'm glad to see everyone here tonight.
- I acknowledge that MY personal physician is in the room. Alderman Higgins stated "just in case you have a heart attack or something" (stated in jest.)
- Josie, we will make it happen, you have the right guy in place, Mr. Hunt.

#### Alderwoman Lucas

- I'm glad to see everyone out.
- I don't like to vote for tax increases either but in my opinion we had to so we will not fall short.

#### Alderman Christian

- I echo Ms. Lucas' comments. I'm a working person and I know how this will affect me.
- Happy 4th of July to everyone.
- Congratulations to the Robert Tenhet, Cal Tenhet's son, on his promotion to General.

#### Alderwoman Sutherland

Again as I stated, I struggled with the tax increase and I think we have made the best decision for our town to continue to grow. Public safety is very important. I struggle when we don't have enough fire employees and a home burns and someone is hurt. I feel better that I've made the right decision for the citizens, for public safety as well as our police department. I thank the

- Chief for the cuts that you made and I'm sure that your leadership will make sure that the citizens are taken care of.
- I am still concerned that the entire town is serviced and not just the festival. I pray that when they call for assistance from our officers that they make it there in a timely manner and not take 30 or 40 minutes or an hour to get there. They need to be on the scene if something happens in the community so I thank you for your leadership.
- Mr. Metcalf, I thank you so much for that detailed manager's report that you send out. It takes me time to sit down and write notes and go through it but it is very detailed for every department and everything that is going on and it is great but you have to take time to go through it and I appreciate the detail in the report that you send out. We talked about the Linden Oak's annexation with the Spring Lake Transit being able to service that area. I know it is just talking points right now but we have to consider the cost as well but I think it would be great if we could service that area. Also the two snow plows will be an asset and I think it is great that we will have our own. The weekly ride around is great, I haven't been on the ride around with you all but I ride around on my own and I see a lot of graffiti around Spring Lake. I know everyone says it's just "wanna be gangs" but "wanna be gangs" are dangerous because they try to prove themselves. Everybody in Spring Lake lives in an area with "wanna be gangs" believe it or not. I would like to see us take care of the graffiti areas as soon as possible because if they feel like they are defeating us or we are not caring, we are sending a message and they win. From what I have been told, when you see graffiti you get it as soon as you can.
- I want to thank Mr. Dalton and Mr. Harold for transporting 4,840 pounds of scrap metal that they picked up. I see them our working all the time. We have a lot of services that we offer the citizens that other towns do not offer.
- I thank First Presbyterian Church for cleaning up a hideout area near their property. It looks so beautiful now.
- I thank the staff for what you did on the budget.

#### Mr. Metcalf

Mayor and Board, thank you for passing the budget. This was not an easy budget to recommend and it was a tough process. We are glad that this part of it is behind us and we will continue to monitor our spending and continue to look at the budget throughout the year, we will not let you down.

## **Mayor Rey**

I thank this Board for the painstaking process we just went through, I know it wasn't easy. I appreciate the feedback and comments from everyone. We are moving in the right direction. Our goal is to increase our tax revenue (stated with emphasis after accidentally saying increase our taxes) and I hope that the work that is being done for the festival will cause the businesses to profit. There is still a lot of work that needs to be done but I am excited about what is on the horizon which will hopefully increase our tax base. I appreciate Mr. O'Garra's passion and the work that he does but I believe if we increase our tax revenue we can decrease our tax rate. Thank you staff for all your hard work.

## 11. Closed Session G.S. 143-318.11(a)(4) - Economic Development

Action: The Board approve a motion to go into Closed Session pursuant to G.S. 143-318.11(a)(4) – Economic Development.

Motion: Mayor Pro Tem O'Garra

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Second by: Alderman Christian

**Vote:** Unanimous

Action: The Board approved a motion to go back into Open Session.

Motion by: Alderman Christian
Second by: Mayor Pro Tem O'Garra

**Vote:** Unanimous

## 13. Adjournment

Action: There being no further business to come before the Board, the meeting was

adjourned at 8:52 p.m.

Motion: Alderman Christian

Second by: Mayor Pro Tem O'Garra

**Vote:** Unanimous

Khenda ル. Webk Rhonda D. Webb, MMC Town Clerk

ATTEST:

Mayor