

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

February 23, 2017

MINUTES

6:30 p.m.

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

Board Members Present: Mayor Pro Tem Larry Dobbins
Alderman James Christian
Alderwoman Densie Lucas
Alderman James O'Garra
Alderwoman Fredricka Sutherland

Others Present:

Tad Davis, Town Manager	Tom Cooney, Director of Public Works
Tim Garner, Interim Water Resources Director	Rosa Henegan, Human Resource Officer
Sam Jones, Recreation Director	John Kleinert, Director of Streets, Grounds and Sanitation
Charles Kimble, Police Chief	T.J. McLamb, Fire Chief
Claiburn Watson, Finance Director	Rhonda Webb, Town Clerk

1. Call Meeting to Order

Mayor Rey called the meeting to order.

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

2. Invocation

Mayor Rey gave the invocation.

3. Pledge of Allegiance

Mayor Rey led the meeting in the pledge of allegiance.

4. Business

a. Budget Development Overview

Mr. Davis opened the meeting with an explanation of what to anticipate from this meeting and started the meeting with a broad overview of the budget process. Mr. Watson provided the Board an informational sheet with revenues and expenditures for the past three years and seven months. He stated you always want the final revenue percentages to be larger than the expenditure percentages. He explained each Fund and compared the current fiscal year with last fiscal year. He reminded the Board that the Fleet Maintenance Fund is an internal service Fund and will never show revenues larger than the expenditures because this Fund does not have revenues coming in. All other Funds "pay" into this Fund. He explained the major sources of revenues which are property taxes, sales tax, Powell Bill funds, and water, sewer, stormwater and sanitation fees. The major types of expenditures include salaries and benefits, third party water purchases, general obligation debt, installment purchase debt and capital outlay expenditures. Mr. Davis stated our goal is to understand what our revenues will be and adjust our expenditures accordingly while leaving a buffer to cover unexpected expenditures.

(A copy of the informational sheet on the budget overview is hereby incorporated by reference and made a part of these minutes – see attachment two.)

b. Existing Debt Review

Mr. Davis gave an overview of the long term debt requirements. Mr. Watson provided the Board with an informational sheet that shows current projects and expenditures that have funds allocated and for projects that will require an allocation in the upcoming and future budgets. The sheet also outlines existing debt broken down by Fund and shows the next ten years' allocation. Some of the items on the list will require longer than ten years to pay off but for today's purposes, the next ten years are shown. They discussed some of the projects in each Fund. Each project is listed on the informational sheet with the estimated cost. Mr. Davis stated that over the past year we have managed to bring the existing debt down by approximately \$1M; however, we typically add new debt each year. There will be new items added such as police vehicles and a clam shell truck once we receive the financing for these items. He stated this document is a snapshot and could change as items are purchased that require financing or multiple year payments. Mr. Watson stated he is trying to find possible refinance options for three major projects, all which are USDA loans. He stated he would like to lower our payments and/or reduce the number of years for payoff. The USDA will not refinance their own debt but he may be able to find another agency/financial institution that could save us money. If this is something that is feasible, it will be brought back to the Board for approval.

(A copy of the informational sheet on the existing debt is hereby incorporated by reference and made a part of these minutes – see attachment three.)

c. Current/Emerging Financial Obligations for 2017-2018

Mr. Davis explained that the revaluation impact on the upcoming budget is \$43,000. He stated that the Cumberland County Delegation reported that the Veterans Exclusion Bill is currently parked in committee and we hope it will not impact the upcoming budget; however, if it does pass it will negatively impact the upcoming budget by \$31,000. He reported that PWC is proposing a \$26,000 water rate increase and Harnett County is proposing a \$12,000 water rate increase in the upcoming fiscal year. He stated in FYE 14, FYE 15 and FYE 16 our water rates increased by \$60,000 which the Town absorbed and did not pass along to the customers. He stated the last time we raised water rates was in 2013. He also discussed the infrastructure cost and equipment replacement at the wastewater treatment plant. He reported that the Town Hall Administrative Aide position will impact the upcoming budget by \$22,000 and the Senior Center Administrative Aide will impact it by \$25,000. The Board discussed how a part time position is transitioned into a full time position and it was clarified that when someone is currently holding a part time position that is made full time, that person has been given the opportunity to continue the job as a full time employee. However, the job description should be written for the Town's needs and not the skill level of the person and if the full time position's duties are more than the person can handle, we will need to do what is best for the Town. Mr. Davis stated there are other departments that need more full time positions but these two are the most pressing at the moment.

d. Revenue Projections

Mr. Watson stated we already know we will be behind in property taxes by \$43,000. He stated there have been conversations regarding a 1 or 1 ½ cent increase in the Cumberland County sales tax. This is still to be determined but something to keep in mind. Mayor Rey reminded everyone that they are about to enter into conversations regarding the sales tax distribution because our current agreement expires in 2018. Mr. Watson explained the various revenue streams and stated he anticipates revenues will be flat in the upcoming fiscal year.

e. Board Priorities for 2017-2018

Mayor Rey's Priorities

- He would like for Spring Lake to be walkable by 2020 (2022 at the latest).
- He would also like to see the basketball courts on Ruth Street resurfaced and would like to find a location on

the East side of Town for basketball courts.

Alderman O'Garra's Priorities

- He would like for the Town to begin to convert to green vehicles.
- He would like for the gym to open on Sundays from 1-5 p.m. and possibly open on holidays when the kids are out of school to provide a place for the kids to go.

Alderwoman Lucas's Priorities

- She stated sidewalks and crosswalks are a priority for her.
- She would also like to see more lighting along roadways and in the neighborhoods.
- She stated that transportation within the Town is a priority.

Alderwoman Sutherland's Priorities

- She would like to see more sidewalks, especially on Spring Avenue to the school.
- She would like to see signage (speed limit) on Spring Avenue as a priority

Mayor Pro Tem Dobbins' Priorities

- He would like for citizens to be able to partner with the Town to help fund some of the initiatives we want to see happen (if this is possible).
- He does not want us to mortgage the future of this Town.
- He would like to try to obtain the property near W.T. Brown School (the big hole) and place solar panels there to help generate revenue and possibly allow us to become our own EMC of sorts.
- He would like to see Spring Lake work toward getting all the "pockets" annexed into the Town limits. He would like for us to make an effort to help people understand the value in being annexed.

Alderman Christian's Priorities

- He would like to get a Cape Fear Valley VA Annex in Spring Lake.
- He also would like to see solar panels somewhere in Spring Lake.
- He would like to see a playground in the Lakeview Gardens neighborhood.
- He would like to see the bus system improved.
- He would like to see the entrances to Spring Lake improved and possibly put those planes at the entrance of Spring Lake to tie us to the military.
- He wants to see a fire station on Highway 210.
- He would like to see our old fire truck restored and used in parades.
- He would like to see a dog park in Spring Lake and a community garden.
- He would like to help Coach Fitch with the Youth Boxing League. He stated he wishes we had property that could be donated for this use.
- He would also like for the Town Board Meeting to be recorded and placed online.

f. Proposed Calendar, 2017-2018 Budget Development

Mr. Davis provided the Board with a proposed budget calendar.

(A copy of the proposed 2017-2018 budget calendar is hereby incorporated by reference and made a part of these minutes – see attachment four.)

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

5. Adjournment

Action: There being no further business to come before the Board, the meeting was adjourned at 8:34 p.m.

Motion: Alderman Christian

Second by: Mayor Pro Tem Dobbins

Vote: Unanimous

Rhonda D. Webb
Rhonda D. Webb, MMC, NCCMC
Town Clerk



ATTEST:

Chris V. Rey
Chris V. Rey
Mayor