

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

March 13, 2017

**MINUTES**

7:03 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 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	Tony Buzzard, Town Attorney
Tom Cooney, Public Works Director	Sam Jones, Recreation Director
Tim Garner, Interim Director of Water Resources	Rosa Henegan, Human Resource Officer
Charles Kimble, Police Chief	T.J. McLamb, Fire Chief
Claiburn Watson, Finance Director	Rhonda Webb, Town Clerk

**2. Invocation**

Alderwoman Lucas gave the invocation.

**3. Pledge of Allegiance**

Mayor Rey led the meeting in the pledge of allegiance.

**4. Additions or Deletions to Agenda**

There were no additions or deletions to the agenda.

**5. Approval of Agenda**

The Board approved the agenda.

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

**Motion by:** Alderman O'Garra

**Second by:** Alderwoman Lucas

**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 February 23, 2017 Special Meeting
- b. Minutes of the February 27, 2017 Regular Meeting

**Action:** The Board approved a motion to approve the consent items: Minutes of February 23, 2017 Special Meeting and Minutes of the February 27, 2017 Regular Meeting.

**Motion by:** Alderwoman Sutherland

**Second by:** Mayor Pro Tem Dobbins

**Vote:** Unanimous

## **7. Public Forum**

No one spoke at the Public Forum.

## **8. Presentations**

### **a. Annual Report, Recreation Advisory Committee**

Mr. Derrickson reported that the Recreation Advisory Committee has not had a quorum to officially conduct any business since June 2016 and that there is not really anything to report from last year. They have met and had discussions but have not been able to vote on items. He reported that during this time period they have only had 5 members, no alternate members and one liaison member. He stated they have hit lulls in the past but they eventually recover and are able to function. Mayor Rey asked the Board Members to work on identifying reliable people who might want to serve on the Recreation Advisory Committee. Mr. Davis stated he and the Recreation Director are also working to get additional people to serve on the Committee. He commended Mr. Derrickson and the Recreation Advisory Committee for the work they have done in the past.

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

### **b. Annual Report, Spring Lake Senior Enrichment Program Advisory Committee**

Mr. Page reported that for 2016 they had 6 members but rarely had enough members to hold an official meeting. He reported the Committee helped with the SCOPE, they made a recommendation for a second pool table which was approved and brought in more men to the center, they discussed possible improvements to the Senior Center Dances and ways to get more men to participate and stated this is an ongoing initiative with no action in 2016. They also discussed a visitation program for seniors who are in healthcare facilities. This too is an ongoing initiative with no action in 2016. Mr. Davis advised this is the Committee's first year and with a little additional effort the Town can help make this a little easier for them and more successful. He also stated because of the SCOPE effort and the work that the Committee was involved in, we have significantly increased the number of folks participating in our senior programs on a day to day basis.

Mayor Rey stated the Board appreciates the citizens who step up and participate in these committees.

### **c. Annual Audit Presentation**

Mr. Lee Grissom, S. Preston Douglas & Associates, presented the Board with the annual audit report for year ending June 30, 2016. He advised the report is awaiting approval from the Local Government Commission. He also advised that the Town received a "clean" audit indicating the numbers are accurate. He stated it is Management's responsibility to prepare and present the financial statements and it is the auditor's responsibility to give an opinion of the financial statements. He reviewed the AU260 letter which stated that management provided full access during the audit, there were no new accounting policies during the year, there were no disagreements with management, they found no illegal acts and did not use other auditors during the course of this audit. He reviewed the Statement of New Position which indicated the total assets for the Town as of June 30, 2016 is \$25M, the total liabilities are \$11.7M and the total net position is \$13.7M. The Statement of Activities showed that the total increase in net position for the Fund Balance for June 30, 2016 was \$800,000. The Balance Sheet for Governmental Funds showed the total fund balance of Governmental Funds is \$3.5M. The Income Statement for the Governmental Funds showed a total income increase of \$35,000. He stated the total net position for the Proprietary Fund is \$8.7M. The Statement of Revenues, Expenditures, and Changes in Net Fund Position of the major Enterprise Funds shows the total increase was \$861,000; however, \$784,000 worth of transfers out of this Fund to other Funds left a total increase of \$77,000. Mr. Davis stated that the transfers were included in the

budget because we know that the Fleet Maintenance Fund does not generate revenue and must be supported by other Funds. Mr. Grissom reported the Town's long term liabilities for Governmental activities total \$5.6M and for the Business-type activities total \$4.8M. He stated the tax collection rate was 99% in 2016. He also stated one finding they report is that in all cases, prior to funds being spent, the Finance Director must "pre-audit" each expense. He stated that during the audit they found that this mandate was not being done in all cases. He reported that management is aware of this and believes it will not show up in next year's audit. He stated that last year there were three findings; that decreased to just one which is very positive. Mr. Davis stated that as a result of last year's findings the Town did begin to pre-audit all purchases; however, the corrective action did not happen until March or April and therefore there were several months during this audit's timeframe that we did not know about the requirement. This has been corrected and should not show up in future audits. He stated we were indicating on the paperwork whether or not the funds were available but we did not have the special stamp that you put on the document and is signed by the Finance Director. We have since obtained the stamp and the Finance Director is "pre-auditing" the expenditures. Mr. Grissom stated between 2011 and 2016 the Fund Balance increased by \$1M. In 2016 the Fund Balance was 40% of the General Fund expenditures which represents approximately 5 months of spending. In 2016 the Town's cash balance decreased slightly due to some capital purchases. The Town's outstanding debt is approximately \$9M. He stated the Enterprise Funds have gained approximately \$1.5M over the last 6 years and has a Fund balance of \$8.7M. Mr. Davis reported that the audit firm's office is located in Lumberton and they were hit hard by Hurricane Matthew.

(A copy of the agenda memo and audit report<sup>summary row</sup> is hereby incorporated by reference and made a part of these minutes – see attachment three.)

#### **d. Manager's Update**

Mr. Davis reported the following:

- The Annual Easter Egg Hunt is scheduled for April 1, 2017 at Mendoza Park.
- The Annual Spring Fling and Opening Day of Baseball is scheduled for April 8, 2017. Mr. David Lane, the General Manager for the Astros, will throw out the first pitch. He also reported that we are working with our local hotels to get them connected with the Astros and visiting teams. In addition, the Swamp Dogs will continue to play during the summer at J.P. Riddle Stadium.
- The Easter Sunrise Service is scheduled for April 16, 2017 at 6:30 a.m. at Riverview Cemetery. Mr. Adcock and the Spring Lake Ministerial Alliance will organize this event.
- The Poe Avenue Bridge Naming Committee is set and they are working on a date for their first meeting to organize themselves.

#### **9. New Business**

##### **a. Ordinance (2017) 1, Amending Division 2, Section 127, Recreation Advisory Committee**

Ms. Webb advised that for most Ordinances to be adopted on the "day of introduction" they requires a 2/3 affirmative vote. Ordinance (2017) 1 was introduced to the Board of Aldermen on February 27, 2017. At that Board Meeting two Board Members were absent which left 3 Board Members voting. A 2/3 vote would require 4 Board Members; therefore, Ordinance (2017) 1 is being presented again to obtain the necessary votes to adopt it. Since this is not the "day of introduction" a majority affirmative vote is all that is necessary for it to pass.

**Action:** The Board approved a motion to adopt Ordinance (2017) 1.

**Motion by:** Alderman Christian

**Second by:** Mayor Pro Tem Dobbins

**Vote:** Unanimous

(A copy of the agenda memo and Ordinance (2017) 1 is hereby incorporated by reference and made a part of these minutes – see attachment four.)

**10. Adjournment.**

**Action:** There being no further business to come before the Board, the meeting was adjourned at 7:53 p.m.

**Motion:** Alderman Christian

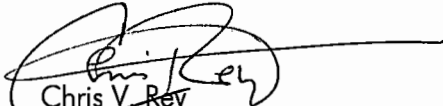
**Second by:** Alderman O'Garra

**Vote:** Unanimous



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

ATTEST:

  
Chris V. Rey  
Mayor