

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

May 16, 2017

MINUTES

5:47 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
T.J. McLamb, Fire Chief	Doris Snider, Senior Center Director
Billy Tharpe, Police Captain	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. Update on Town's Current Economic Position

Mr. Davis provided the Board of Aldermen with information on cash and investments, tax collections and Fund Balance for the Fiscal Year Ending June 30, 2016. He stated our Fund Balance is \$2,870,665 which is 42.29%. The information gives the Board of Aldermen an overview of our current economic indicators and stated we are in a good financial position but we have a high tax rate with a low assessed valuation. Alderman O'Garra stated with a Fund Balance that high we should not be buying vehicles over time. He believes 42% is top heavy and we need to start using some of the Fund Balance to accomplish some of the things we want to do.

b. Projected Budget Revenue Update

Mr. Watson provided the Board of Aldermen with an overview of the property tax value comparison for the previous year, the current year and the proposed 2017-2018 Fiscal Year. He provided information for sales tax growth projections, water & sewer Fund Revenues, Stormwater Fund Revenues and Sanitation Fund Revenues. Additionally, he provided the total projected revenues for 2017-2018 Fiscal Year which equals \$12,476,886.

c. Proposed Debt Pay Off Options

Mr. Davis proposed using Fund Balance to completely pay off some of the Town's debt. In the General Fund he recommends paying the following debt off: Pierce Custom Contender, \$78,546.84; HME Silver Fox Pumper, \$50,759.77; Mendoza Park – PARTF, \$239,872.00; E-One Rescue Truck, \$62,064.03 and Police Vehicles, \$67,923.19. The total amount for the General Fund would be \$499,145.83.

In the Water & Sewer Fund he recommends paying off the Highway 210 Water Main, \$50,869.80; the Wastewater Treatment Plant Clarifier Addition, \$238,736.94 and the AARA Drinking Water, \$17,574.50. The total amount for the Water & Sewer Fund would be \$307,181.24.

In the Storm Water Fund he recommends paying off the Storm Water Vehicle totaling \$20,582.78.

Paying these off will save approximately \$170,000 to \$180,000 each year. The approximate amount being paid off is \$800,000 and will still leave the Town with approximately \$10M worth of debt.

Alderwoman Sutherland inquired about the obligation and commitment we made when we agreed to take out these loans and Mr. Watson stated all or most of these items are financed through BB&T and they have a 1% penalty which is included in the payoff amount, but also mentioned was the fact that early payoff would also reduce some of the interest payments.

Mayor Rey suggested that we look at setting aside funds each year in a special account and try to purchase vehicles out right instead of continually financing vehicles.

The Board's consensus was to proceed with paying the debt off as proposed.

d. Projected FY 2017-2018 Budget

Mr. Watson reviewed an informational sheet for the General Fund Departments showing the previous Fiscal Year and the current Fiscal Year's original budget and the actual expenditures as of April 30. The sheet also showed the 2017-2018 Department Request and the Debt Payoff. Mr. Davis stated if we pay off the proposed debt just discussed we will need to get the General Fund budget to \$7,894,093. This is an increase from the FY 2016-2017 budget of \$39,881. He proposed to pay off \$306,557 in debt in this Fund.

Mr. Watson reviewed an informational sheet for the Water & Sewer Fund. He advised we will receive a price increase from both PWC and Harnett County in the upcoming Fiscal Year. Mr. Davis proposed to pay off \$287,710 in debt in the Fund. He stated this Fund will increase from the FY 2016-2017 budget by \$50,001.

Mr. Watson reviewed an informational sheet for the Stormwater Fund. Mr. Davis proposed to pay off \$6,891 in debt in this Fund. He stated this Fund will increase from the FY 2016-2017 budget by \$1,600.

Mr. Watson reviewed an informational sheet for the Sanitation Fund. There is no recommended debt payoff for this Fund. He stated this Fund will increase from the FY 2016-2017 budget by \$59,301.

Mr. Watson reviewed an information sheet for the Fleet Maintenance Fund. This Fund does not have debt. He stated this Fund will increase from the FY 2016-2017 budget by \$21,605.

Mr. Davis reported that the budget includes \$90,000 for CIP (2 Police Vehicles and 1 Fire Vehicle), \$45,000 contingency in the General Fund, \$25,000 contingency in the Water & Sewer Fund and \$35,000 for the Chamber for

Economic Development.

e. Rate & Fee Schedule

Mr. Jones presented proposed changes to the Recreation Department's Rates and Fees. The Board of Aldermen accepted the proposed changes with one exception, they all agreed that all seniors (residents and non-residents) age 65+ will be allowed to use the Fitness Center at no charge.

Chief McLamb presented proposed changes to the Fire Department's rates and fees and The Board of Aldermen accepted the proposed changes.

Ms. Ballard presented changes to the Revenue Collection Department's rates and fees. The Board of Aldermen accepted the proposed changes with one exception, they requested that the Convenience Fee be changed to \$1.50 instead of \$2.00.

f. Employee Benefits

Mr. Davis provided the Board with information on the health insurance renewal costs. Blue Cross Blue Shield is proposing a 9% increase which will cost the Town \$59,617. Mr. Davis is looking at other options to present to the Board in addition to the multiple Blue Cross Blue Shield plans that are available. He is trying to get something that is comparable to what the employees have now at a reduced cost.

g. "Next Steps"

Mr. Davis provided the Board with the "next steps" which include the Manager's recommended budget being submitted to the Board of Aldermen on June 2, 2017, a Public Hearing on the proposed FY 2017-2018 Budget, Tax Rate and Schedule of Fees on June 12, 2017 and an Ordinance to adopt the proposed FY 2017-2018 Budget, Tax Rate and Schedule of Fees on June 12, 2017.

(A copy of the PowerPoint Presentation and other supporting documents is hereby incorporated by reference and made a part of these minutes – see attachment two.)

The Board requested information on the cost to make the Senior Center part-time position into a full-time position and they also requested information regarding Ms. Snider's position status. They requested that Mr. Jones provide the Board of Aldermen with a list of non-resident seniors who have requested to use the fitness center over the past several months.

5. Adjournment

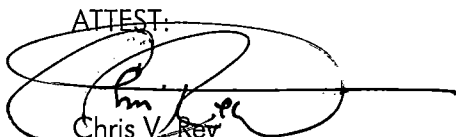
Action: There being no further business to come before the Board, the meeting was adjourned at 8:34 p.m.

Motion: Alderman Christian

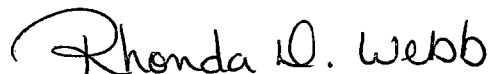
Second by: Mayor Pro Tem Dobbins

Vote: Unanimous

ATTEST:


Chris V. Rey
Mayor




Rhonda D. Webb, MMC, NCCMC
Town Clerk