

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

April 26, 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 (via Zoom)
Alderwoman Soña Cooper
Alderwoman Jackie Jackson
Alderman James O'Garra
Alderwoman Fredricka Sutherland

Others Present:

Samantha Wullenwaber, Interim Town Manager
Jonathan Charleston, Town Attorney
Catherine Bamba, Attorney (via Zoom)
Melissa Pereira, Interim Town Clerk
Banard Lemon, Audio Visual Coordinator
Nancy Medlin, Council of Governments
Justin Hembree, Council of Governments
Lee, Grissom, Auditor
Sharon Edmundson, Deputy Treasurer for the State and Local Government Finance Division of the Local Government Commission of the NC Department of State Treasurer
Susan McCullen, Director of the Fiscal Management Section of the Local Government Commission of the NC Department of State Treasurer
David Erwin, Team Member, Local Government Commission of the NC Department of State Treasurer
Mark Baker, Team Member, Local Government Commission of the NC Department of State Treasurer
Jason Williams, Fire Chief
Troy McDuffie, Police Chief
Dysoaneik Spellman, Police Lieutenant
Jimmy Hall, Inspections Supervisor
Cory White, Agent

1. Call to Order, Invocation, and Pledge of Allegiance

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

Mayor Dobbins delivered the invocation and led the Board in the Pledge of Allegiance.

2. Additions or Deletions

Alderman O'Garra requested the addition of New Business Items, 9i, Application to the Recreation Advisory Committee; 9j, Application to the Recreation Advisory Committee; and 9k, Discussion of Various Subjects concerning the Town.

Ms. Wullenwaber requested the deletion of the Old Business, Item 8b, Approval of MetroNet (Letter of Agreement).

3. Approval of Agenda

Action: Approval of the April 26, 2021 Board of Aldermen Regular Meeting agenda with additions of New Business Items 9i, 9j, and 8k; and deletion of Old Business Item 8b.

Motion by: Alderwoman Jackson

Second by: Alderwoman Cooper

Vote: Unanimous

4. Approval of Consent Items

Action: Approval of Consent Item 4a, April 12, 2021 Board of Aldermen Work Session Meeting Minutes.

Motion by: Alderwoman Cooper

Second by: Alderwoman Sutherland

Vote: Unanimous

5. Public Comment

Brandy Bussey addressed her concerns with changing the 45-mile speed limit on Balsawood Circle and requested the speed limit be lowered because potential accidents could occur. Mayor Dobbins stated the Interim Town Manager would inquire and respond to Ms. Bussey's concerns as soon as possible.

7. Presentation

a. FY 2019-2020 Audit

Mr. Lee Grissom presented to the Board the findings of the FY 2019-2020 audit. Mr. Grissom explained the significant audit findings of the Town's financials. Mr. Grissom stated the audits have been late in the past 5 years. Mr. Grissom stated the 2017-2018 audit was 14 months late, 2018-2019 audit was 10 months late, and 2020-2021 was late 2 months late due to COVID-19. Mr. Grissom explained cash has decreased and accounts payable has increased. Mr. Grissom stated the budget is overspent at \$1.5 million dollars, and there are many budget violations with various departments. Mr. Grissom stated the budget violations come from FY 2019-2020.

Mr. Grissom further explained to the Board the significant findings of the audit, which are follows:

1. *Segregation of duties* – Town's internal control process by not ensuring that errors will be detected by employees in the normal course of job performance. The resignation of Finance Director and not filling the vacancy.
2. *Excess of Expenditures over Appropriations* - Town's management failed to prepare and recommend a realistic budget to the Board.
3. *Bank reconciliations* - all 12 months of bank reconciliations for the FY June 30, 2020 were not performed.
4. *Preaudit process* - May 2020 land was purchased for the Town without the proper pre-audit documentation.
5. *Missing credit card receipts* - credit cards totaling over \$15,000 related to economic development.

6. *Cell phone allowance error* - auditors discovered a \$10,000 cell phone allowance paid to an employee in error. The error was not caught by payroll and the employee did not notify the Town of the error. The \$9,900 needs to be recouped.
7. *Invoices not turned in on a timely basis* - invoices were paid late.
8. *Material journal entries* - Town did not account for transactions.

Mr. Grissom stated to the Board that a corrective action plan and recommendations are included in the presentation packet provided to the Board.

Mr. Grissom presented to the Board the trends of the General Fund and Enterprise Fund and future fund projections.

Discussions between the Board and Mr. Grissom ensued.

b. Local Government Commission

Ms. Sharon Edmundson addressed the several Board's concerns expressed during the Audit presentation, including the responsibilities of the finance director and his/her role; the necessity of a structured budget; adhering to the budget passed by the Board; statutory requirements of the General Fund balance and how to achieve the requisite General Fund balance; recommendations regarding over-expenditures; issues regarding the Enterprise Fund and recommendations.

Alderwoman Jackson inquired about the over-expenditures, recommendations, and liabilities related to over-expenditures.

Alderwoman Sutherland expressed concerns regarding the Town's business practices. She expressed thanks to Mr. Adam Lindsay, Mrs. Samantha Wullenwaber and Mrs. Nancy Medlin for their work related to the correcting issues regarding the Town's budget and finances.

Mrs. Wullenwaber explained to the Board the current appropriations and pre-audit procedure.

Alderwoman Cooper expressed concerns regarding the Enterprise Fund and inquired as to possible corrective actions to increase the Enterprise Fund. Alderwoman Cooper further inquired about various financial reports and reporting to the public.

Alderwoman Jackson requested of Ms. Edmundson her recommendations on achieving the corrective actions and recommendations Mr. Grissom presented.

Ms. Edmundson presented to the Board the proposed Fiscal Accountability Agreement between the Town and the Local Government Commission and introduced Ms. Susan McCullen.

Ms. McCullen introduced Mr. David Erwin and Mr. Mark Baker, members of her team. Ms. McCullen explained to the Board the particularities of the Fiscal Management Agreement, including: the responsibilities of the Town, goals of the Town, and effects of the Town's non-compliance with the agreement.

Ms. McCullen further explained to the Board the deadline for executing the Fiscal Management Agreement and the initial processes the Local Government Commission requires of the Town.

7. Public Hearing

a. Case P21-05

Ms. Jamie Walters explained to the Board that Case P21-05 was pulled from the Agenda and no public hearing would be held at the Meeting.

b. Case P21-18

Mayor Dobbins opened the Public Hearing for Case P21-18. Mayor Dobbins three times called for any persons with comments or concerns regarding Case P21-18.

One person spoke in favor of the case.

The public hearing was closed by Mayor Dobbins.

Action: Approval to close Public Hearing for Case P21-18.

Motion by: Alderman O'Garra

Second by: Alderwoman Cooper

Vote: Unanimous

8. Old Business

a. Pulled from Agenda at the request of Ms. Walters.

b. Deleted from Agenda.

9. New Business

a. Case P21-18: Rezoning of 10.01+/- acres from R5A Residential to R6A Residential or to a more restrictive zoning district, located at 1600 Hinkle Street

Ms. Walters presented to the Board Case P21-18 and stated the Planning Department's recommended action is for approval of the case.

Action: Approval of Case P21-18.

Motion by: Alderwoman Sutherland

Second by: Alderwoman Cooper

Vote: Unanimous

b. Case 21-032: Consideration of RWest Investments, Inc property; request for a subdivision and group development review; Spring Lake zoning and subdivision ordinance; zoned: r6; total acreage: .51 ac +/-; located at corner of Scarborough Street and Mitchley street

Ms. Walters presented to the Board Case P21-032 and stated the Planning Department's recommended action is for approval of the case.

Action: Approval of Case 21-032.
Motion by: Alderwoman Cooper
Second by: Alderwoman Jackson
Vote: Unanimous

c. Approval to sale 2003 HME Fire Truck on GOV Deals

Fire Chief Williams presented to the Board the proposed sale of the 2003 HME Fire Truck on GOV Deals and requested the Board approve the sale of the 2003 HME Fire Truck.

Action: Approval of sale 2003 HME Fire Truck on GOV Deals.
Motion by: Alderwoman Sutherland
Second by: Alderwoman Cooper
Vote: Unanimous

d. Approval of Budget Amendment (2021) 5, Requesting to move money to another line item for purchase of COVID-19 items

Fire Chief Williams presented to the Board the proposed Budget Amendment (2021) 5 and requested approval of the amendment.

Action: Approval of Budget Amendment (2021) 5, Requesting to move money to another line item for purchase of COVID-19 items.
Motion by: Alderwoman Cooper
Second by: Alderman O'Garra
Vote: Unanimous

e. Approval of 160D Planning & Development Regulation Contract Services

Mrs. Wullenwaber presented to the Board the Proposal for Professional Planning Consulting Services, explained the mandated changes required by the Town under Chapter 160D of the North Carolina General Statutes, presented the responsive bids to the Proposal received from Stewart's Municipal Planning and Triangle J Council of Governments. Mrs. Wullenwaber further requested the Board select a the bid from Stewart's Municipal Planning and approve the contract and approve the 160D Planning and Development Regulation Contract with Stewart's Municipal Planning for related services.

Action: Approval of 160D Planning and Development Regulation Contract Services with Stewart Municipal Planning for \$2,300.

Motion by: Alderwoman Sutherland
Second by: Alderwoman Jackson
Vote: Unanimous

f. Application for Recreation Advisory Committee

Ms. Melissa Pereira presented to the Board the application of Mr. Henry Ponder for appointment to the Recreation Advisory Committee.

Action: Approval to appoint Mr. Henry Ponder for the Recreation Advisory Committee.
Motion by: Alderwoman Sutherland
Second by: Alderman O'Garra
Vote: Unanimous

g. Application for Recreation Advisory Committee

Ms. Pereira presented to the Board the application of Ms. Yolanda Burse for appointment to the Recreation Advisory Committee.

Action: Approval to appoint Ms. Yolanda Burse for the Recreation Advisory Committee.
Motion by: Alderwoman Cooper
Second by: Alderman O'Garra
Vote: Unanimous

h. Application for Recreation Advisory Committee

Ms. Pereira presented to the Board the application of Mr. Derrick Hudson for appointment to the Recreation Advisory Committee.

Action: Approval to appoint Mr. Derrick Hudson for the Recreation Advisory Committee.
Motion by: Alderwoman Sutherland
Second by: Alderwoman Cooper
Vote: Unanimous

i. Application for Recreation Advisory Committee

Ms. Pereira presented to the Board the application of Ms. Terra Robles for appointment to the Recreation Advisory Committee.

Action: Approval to appoint Ms. Terra Robles for the Recreation Advisory Committee.
Motion by: Alderwoman Cooper
Second by: Alderwoman Sutherland
Vote: Unanimous

j. Application for Recreation Advisory Committee

Ms. Pereira presented to the Board the application of Ms. Eustachia Arnold for appointment to the Recreation Advisory Committee.

Action: Approval to appoint Ms. Eustachia Arnold for the Recreation Advisory Committee.
Motion by: Alderwoman Cooper
Second by: Alderwoman Sutherland

Vote: Unanimous

k. Discussion of Various Subjects Concerning the Town

Alderman O'Garra expressed concerns from the Town citizens regarding the possible addition of street lights, changes in speed limits, and/or installation of speed bumps on various portions of Highway 87. Alderman O'Garra also announced the opening of King Krabz restaurant.

10. Closed Session

- a. N.C.G.S. §143-318.11(a)(6) – Personnel
- b. N.C.G.S. §143-318.11(a)(1) – Privilege Information

Action: The Board approved a motion to go into Closed Session pursuant to N.C.G.S 143.318.11(a)(6) - Personnel and N.C.G.S. §143-318.11(a)(1) - Privilege Information.

Motion by: Alderwoman Jackson

Second by: Alderman O'Garra

Vote: Unanimous

Alderwoman Cooper made a motion, seconded by Alderwoman Sutherland, to reconvene in open session.

11. Adjournment.

Action: There being no further business to come before the Board, the meeting was adjourned 10:00 p.m.

Motion: Alderwoman Cooper

Second by: Alderman O'Garra

Vote: Unanimous



Melissa Pereira

Interim Town Clerk

ATTEST:



Larry G. Dobbins

Mayor