

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

May 18, 2021

MINUTES

9:00 a.m.

The Spring Lake Board of Aldermen held a special 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 Sofia Cooper
Alderwoman Jackie Jackson
Alderman James O'Garra
Alderwoman Fredricka Sutherland

Others Present:

Samantha Wullenwaber, Interim Town Manager
Nancy Medlin, Council of Governments
Jonathan Charleston, Town Attorney (via Zoom)
Catherine Bamba, Attorney (via Zoom)
Justin Hembree, Council of Governments (via Zoom)
Melissa Pereira, Interim Town Clerk
Benard Lemon, Audio Visual Coordinator
Susan McCullen, Director of the Fiscal Management Section of the Local Government Commission of the NC Department of State Treasurer
Sharon Edmundson, Deputy Treasurer for the State and Local Government Finance Division of the Local Government Commission of the NC Department of State Treasurer
David Erwin, Team Member, Local Government Commission of the NC Department of Treasurer
Mark Baker, Team Member, Local Government Commission of the NC Department of Treasurer
Jason Williams, Fire Chief
Dysoaneik Spellman, Interim Police Chief
Jimmy Hall, Inspections Supervisor
Tim Garner, Director of Water Treatment Plant
David Vandergriff, Director of Public Works

1. Call to Order: Invocation and Pledge of Allegiance

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

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

2. Business

Budget Meeting Session

Mrs. Samantha Wullenwaber presented to the Board the findings of the Budget FY 2021-2022. Mrs. Wullenwaber explained the significant budget message for FY 2021-2022, which are follows:

1. Furlough of 4 hours per week = \$400,000 (adopted but not implemented).
2. Anticipated General Fund balance of \$1,190,138 by June 30, 2020. Actual \$631,875.
3. Stated there was not a water/sewer appropriation. Actual \$120,000.
4. Stated no interlocal transfer to GF. Interfund transfers in all funds.
5. Stated no increase in rates or fund balance appropriation for Sanitation. Actual \$141,106
6. Repeated pattern for multiple years of increased expenditures without increased revenues.
7. Budget adopted on paper but not in reality.

Mrs. Wullenwaber informed the Board since the audits were not up to date the appropriated funds were not in the General Fund, and we are \$1.8 million dollars in the hole.

Ms. Susan McCullen expressed her appreciation for Mrs. Wullenwaber and Mrs. Nancy Medlin for all their hard work. Mrs. McCullen advised the Board that they will be presented today with some difficult options, and don't take this lightly. Mrs. McCullen stated any proposals that the Board makes will have to be funded.

Mr. David Ervin discussed the Budget FY 2021-2022 and agreed with the proposals. Mrs. Wullenwaber expressed we will be following a strict budget. Alderwoman Sutherland had concerns about following our own financial policies. Alderwoman Jackson had concerns about bank reconciliations and projected budget. Mrs. Wullenwaber explained they will be completed on time this year. Mrs. Nancy Medlin explained we are not using appropriated funds to balance budget; we are only using known revenue resources. Mrs. Wullenwaber explained the Expense Worksheet Report and Revenue Worksheet Report. Mrs. Wullenwaber explained to replenish our Fund balance with \$250,000 will take approximately seven years. Mrs. Wullenwaber discussed the cuts that will take place.

Discussion ensued.

Mrs. Wullenwaber further explained the Fund Balance History and the implications that have created the unbalance in the General Fund. Mrs. Wullenwaber further explained balancing options for the General Fund.

1. Option 5 – Cut three sworn officers \$181,500, cut one PD Admin position, cut two FD positions \$70,667, cut transportation \$102,030, 20% furlough \$303,650.
2. Option 6 - Cut two sworn police officers \$121,000, cut one PD Admin position \$45,500, cut two FD positions \$70,667, 20% furlough \$303,650.
3. Option 7 – Cut one PD Admin position \$45,500, cut transportation \$102,030, 20% furlough \$303,650.

Mrs. Wullenwaber discussed balancing options and FAST Transportation.

Discussion ensued

Mrs. Sharon Edmundson thanked Mrs. Wullenwaber and Mrs. Medlin for all their hard work with budget. Mrs. Edmundson expressed her concerns that the Board will have to face some very difficult decisions. Alderwoman Sutherland thanked the Local Government Commission and their staff for helping us.

Dysoaneik Spellman, Interim Police Chief discussed the daily operations of the Police Department.

Mrs. Wullenwaber discussed the Sanitation Fund being out of balance by \$59,746 and the operating loss. Mrs. Wullenwaber proposed outsourcing with GFL at \$480 or Waste Management at \$429 annually. Mrs. Wullenwaber explained the Sanitation Department would lose one position.

Discussion ensued.

Mrs. Wullenwaber explained the Reduction in Force (RIF) process by providing one month's severance pay, resources, and any benefits they are eligible for. Alderwoman Jackson had concerns about RIF and decreasing employees' salaries. Mrs. Wullenwaber stated absolutely, all upper management would receive a 20% pay cut, and Board members. Mrs. Wullenwaber stated the 20% furlough would be everyone except sworn officers and the water departments because their salaries don't come out of the General Fund.

Mrs. Wullenwaber discussed the Water/Sewer Fund net position and cuts. Mrs. Wullenwaber proposed water and sewer rate increases.

Mrs. Wullenwaber stated the Fleet Maintenance Fund and Stormwater Fund was balanced.

Mrs. Wullenwaber discussed the Spring Fling cost with expenses at \$13,000, revenue 70% total cost, and the difference of \$4,000.

Alderwoman Cooper had concerns about town vehicle use. Mrs. Wullenwaber stated it's not a significant savings whether who takes the vehicles home, but after July 1 we will take a look at the policies and update.

Mrs. Wullenwaber proposed the next steps as follows:

1. June 14th Budget Public Hearing
 - Be prepared to further discuss budget options and which option the Board chooses
 - Budget can be adopted that night or wait until June 28th
2. Budget Implementation
 - Board training
 - Staff training
3. Financial Policies

Mayor Dobbins and Board of Aldermen agreed with a one on one with the Interim Town Manager and Interim Finance Director. Mayor Dobbins agreed to meet on June 7th from 9 am to 12 pm for budget meeting session.

3. Adjournment.

Action: There being no further business to come before the Board, the meeting was adjourned at 12:09 p.m.

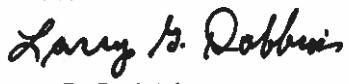
Motion: Alderwoman Cooper

Second by: Alderwoman Sutherland

Vote: Unanimous


Melissa Pereira
Interim Town Clerk

ATTEST:


Larry G. Dobbins
Mayor