

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

August 9, 2021

MINUTES

6:00 p.m.

The Spring Lake Board of Aldermen held a work session 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 (absent)
Alderman James O'Garra
Alderwoman Fredricka Sutherland

Others Present:

Samantha Wullenwaber, Interim Town Manager
Jose Coker, Attorney (via Zoom)
Brittany Johnson, Attorney (via Zoom)
Melissa Pereira, Interim Town Clerk
Banard Lemon, Audio Visual Coordinator
Susan McCullen, NC Department of State Treasurer
David Erwin, NC Department of State Treasurer
Mark Baker, NC Department of State Treasurer
Dysoaneik Spellman, Interim Police Chief

1. Invocation and Pledge of Allegiance

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

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

2. Additions or Deletions

Alderwoman Sutherland requested to add item 7e Discussion of Transportation, and item 7f Update on COVID -19 Policies under New Business. Mrs. Samantha Wullenwaber requested to delete item 6a, Green Cross Award because they could not attend.

3. Approval of Agenda

Action: Approval of the August 9, 2021 Board of Aldermen Work Session Meeting agenda with additions and deletions.

Motion by: Alderwoman Cooper

Second by: Alderman O'Garra

Vote: Unanimous

4. Approval of Consent Items

Action: Make the necessary corrections to the July 26, 2021, Regular Meeting minutes, August 9, 2021, Work Session Meeting minutes, August 23, 2021, Regular Meeting minutes, and add them to the next Board of Aldermen meeting.

Motion by: Alderwoman Cooper

Second by: Alderwoman Sutherland

Vote: Unanimous

5. Public Comment

Mrs. Karen Anthony expressed thanks to the street department for cutting the grass by her house.

6. New Business

a. Local Government Commission Training

Ms. Susan McCullen began the required training for the Board of Aldermen according to the Fiscal Accountability Agreement. Mrs. McCullen discussed the importance of the financial responsibilities of the Board members. Ms. McCullen stated the Board has a fiduciary responsibility to the taxpayers and residents to manager its funds appropriately. Ms. McCullen stated the Board plays a critical role in overseeing compliance and setting expectations for employees to follow the requirements of the NC General Statue 159. Ms. McCullen presented the history and duties of the Local Government Commission. Mrs. McCullen stated the LGC has the authority to impound the books and records of local government, and assume full control of all its financial affairs. Mrs. McCullen stated that they do not want to do that because they have not exercised that authority very much but it has been done in North Carolina.

Alderwoman Sutherland asked why there are so many municipalities that have undergone financial mismanagement considering newcomers, no budget training, or finances? Ms. McCullen stated it is due in part of the economy, and parts of NC are struggling with maintaining their population and tax valuation. Mrs. McCullen stated some are losing people because of job shortages in certain areas. Ms. McCullen stated training is another huge issue. Alderwoman Sutherland expressed being accountable and being a good steward. Alderwoman Sutherland expressed appreciation for the training. Alderman O'Garra expressed concerns with the Finance Director and the past reporting structure. Alderman O'Garra expressed confidence that the Town is headed in the right direction as a result of the Finance Director reporting to the Town Manager. Alderwoman Cooper stated she watches various training, and agrees there should be mandatory training.

Ms. McCullen presented to the Board the budget preparation and calendar. Ms. McCullen addressed the importance of underestimating revenues and overestimating expenditures. Alderwoman Sutherland expressed concerns with fund balance taking seven years to get back to zero. Alderwoman Sutherland asked if the individual department funds are not spent each fiscal year, are the monies returned to the General Fund? Ms. McCullen stated yes. Ms. Wullenwaber stated we do have a line item in General Fund that monies will return to. Mrs. Wullenwaber stated there is a line item in the General Fund called fund balance replenish. Mrs. Wullenwaber stated the line item is set aside to automatically go back into the general fund to help replenish the fund balance. This line item has over \$280,000 set aside. Ms. McCullen encouraged the Board to think long term. Mrs. McCullen discussed the appropriate percentage of the budget that should be in the fund

balance. Ms. McCullen stated as discussed, it will take approximately 6-8 years for Spring Lake's General Fund balance to be at or above zero. She further discussed the concept of the fund balance appropriations and what they can be used for. Fund balance appropriations are when monies are transferred from fund balance or "savings account" to be used for one-time expenses such as hurricanes or unforeseen expenditures. Ms. McCullen stated it's not for salaries or recurring expenditures.

Ms. McCullen presented to the Board the budget adoption process. Ms. McCullen stated before the Board can make any budget amendments, the LGC has to approve according to the Fiscal Accountability Agreement. Ms. McCullen discussed fund balance appropriations and stated only the Board can approve fund balance appropriations in all funds.

Alderwoman Sutherland expressed concerns regarding the edited Fiscal Accountability Agreement. She asked about the date on the last page of the agreement in the table. Ms. McCullen stated there were three changes; budget amendments shall be reviewed by LGC staff, changed the bank reconciliation and audit submittal to December 31, 2021 because of the State Auditors investigation and amended the dates on the table on the last page. Alderwoman Sutherland expressed concerns about the past audits being completed late. Ms. McCullen stated the town does not currently have an audit firm for FY20-21, but Mrs. Wullenwaber is working with the LGC to find a firm. Alderwoman Sutherland expressed concerns about signing the agreement without corrections, and since there are Board members on Zoom. Ms. McCullen stated we can handwrite corrections and initial.

Ms. McCullen presented to the Board the importance of internal controls. Ms. McCullen stated citizens have every right to demand accountability and stewardship over the public's money. Alderwoman Sutherland expressed concerns with Public Records Request being answered promptly. Ms. McCullen stated yes to comply with those.

Ms. McCullen presented three objectives for internal controls:

1. Reliability of financial reporting.
2. Efficient and effective operations.
3. Compliance with applicable laws and regulations.

Ms. McCullen stated the Board sets the tone for being transparent and people being accountable for the funds. Ms. McCullen explained to the Board about segregation of duties. Ms. McCullen stated that the town cannot move ahead with the audit until the forensic investigation by the stated auditor is complete. Ms. McCullen stated there are uncertainties about the cash balance, and this delays the fiscal reports.

Ms. McCullen addressed compliance with applicable laws and regulations and the problems associated with not completing bank reconciliations and monthly financial reports. Alderwoman Sutherland expressed concerns that if we the board is not receiving monthly financial reports then that is a red flag. Alderwoman Sutherland expressed concerns about one of the public records requests that was requested six months ago.

Ms. McCullen agreed. Alderwoman Cooper expressed concerns about public records not being available and what entity can that be reported to. Ms. McCullen stated that you can let the LGC know or the media. Alderwoman Sutherland expressed concerns about the time it takes for the public records request to be filled. Mrs. Wullenwaber stated there is not a set time. Mrs. Wullenwaber stated in General Statues that it says a reasonable timely manner. Mrs. Wullenwaber stated if there outstanding public records requests to send them to her. Mrs. Wullenwaber stated there are some things the town is still working on and the ongoing investigation by the state auditor as well as a delay in other financially reporting will result in some requests being delayed.

Mayor Dobbins asked for a consensus for the LGC to return on August 23, 2021, at the next regular meeting. The LGC will return on August 23, 2021, to finish board training. Mrs. Wullenwaber discussed the Fiscal Accountability Agreement and stated that the town does not have an audit firm at this time because no one responded to the request for proposals to conduct the audit. Alderwoman Sutherland and Alderwoman Cooper expressed concerns about the agreement as written. They would like for the agreement to be revised with the correct wording and dates. Ms. McCullen stated they will amend the agreement and bring back to the August 23, 2021 board meeting.

b. Discussion of Large Vehicles in Residential Areas

Alderman O'Garra thanked town employees for researching other ordinances. Alderman O'Garra expressed concerns about the weight capacity of large vehicles in residential areas. Alderman O'Garra stated he would like to adopt a policy. Alderwoman Cooper expressed concerns about the intent. Alderman O'Garra explained to keep large vehicles from entering residential areas. Mrs. Wullenwaber discussed other town ordinances and the weight capacity on certain streets. Mrs. Wullenwaber discussed the process if the Board wishes to proceed. Mayor Pro tem Aziz asked how large are the vehicles? Alderman O'Garra stated forty feet. Alderwoman Cooper stated that an ordinance would hinder the livelihood of truck drivers. Alderwoman Cooper stated to talk to the individuals. Alderman O'Garra stated citizens are concerned that the large vehicles are obstructing the traffic flow. Alderwoman Sutherland suggested sending a letter but if it's on their property the town has no right to single out individuals. Mrs. Wullenwaber stated there is not ordinance so letter cannot be sent. Mrs. Wullenwaber stated she will work with the police department if there is a problem with obstruction of the right-of-way.

c. Discussion of Speed Bumps in Holly Hills Subdivision

Alderman O'Garra expressed concerns to place speed bumps in the Holly Hills subdivision. Alderman O'Garra stated they need about four. Alderman O'Garra expressed concerns about the safety of children in the neighbor due to speeding vehicles. Mrs. Wullenwaber discussed the speed bumps and stated they cost around \$1500, and the town will begin the process of installing them if there is a consensus by the board. Alderman O'Garra stated thank you. Alderwoman Sutherland discussed different types of speed bumps that cities are utilizing. Mrs. Wullenwaber suggested the rubber ones. Alderwoman Sutherland asked are we going to install speed bumps in more subdivisions? Mrs. Wullenwaber stated yes. Alderwoman Cooper expressed her appreciation to the Interim Town Manager and staff for making this happen. Alderman Cooper stated she has been asking for speed bumps since 2019.

d. Discussion of No Thru Truck Route

Alderman O'Garra expressed concerns with large vehicles driving through housing areas and damaging the streets. Interim Police Chief stated they reached out to the individual who owns the large truck, and the property owner permitted him to park.

e. Discussion of Transportation

Alderwoman Sutherland expressed concerns about transportation for town citizens. Mrs. Wullenwaber stated the town will have flyers and other information available on alternate modes of transportation. Alderwoman Cooper suggested a literature drop and placing a sandwich board sign around town. Mrs. Wullenwaber suggested putting flyers in the water bills. Alderman O'Garra expressed concerns about transportation for town citizens and funds from Cumberland County. Mrs. Wullenwaber stated the ARP funds have to be spent by 2026, and the town has only received half of the funds so far. Mrs. Wullenwaber stated the town will need to have a work session discussion on how the funds are spent. Alderwoman Cooper stated the County has \$65 million in ARP Funds and uses the funds to extend the bus system in Spring Lake.

f. Update on COVID 19 Policies

Alderwoman Sutherland expressed concerns about Town Hall closing due to the COVID outbreak, and the four personnel who were exposed to COVID in a town department. Mrs. Wullenwaber stated due to the nature of sensitive information, this is a personnel matter that cannot be commented on. Alderwoman Sutherland asked if the facility was cleaned. Mrs. Wullenwaber stated yes according to CDC guidelines.

8. Closed Session

- a. N.C.G.S. §143-318.11(a)(3) – Attorney-Client Privilege

Action: The Board approved a motion to go into Closed Session N.C.G.S. §143-318.11(a)(3) – Attorney-Client Privilege.

Motion by: Alderwoman Cooper

Second by: Alderman O'Garra

Vote: Unanimous

Alderwoman Sutherland made a motion, seconded by Alderman O'Garra, to reconvene in an open session.


9. Adjournment.

Action: There being no further business to come before the Board, the meeting was adjourned at 8:10 p.m.

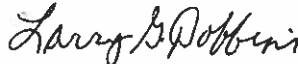
Motion: Alderwoman Sutherland

Second by: Alderman O'Garra

Vote: Unanimous


Melissa Pereira
Interim Town Clerk

ATTEST:


Larry G. Dobbins
Mayor