

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

April 11, 2022

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 Kia Anthony presiding.

**Board Members Present:**

- Mayor Pro Tem Robyn Chadwick
- Alderwoman Soña Cooper
- Alderman Marvin Lackman
- Alderman Raul Palacios
- Alderwoman Adrian Thompson

**Others Present:**

Jonathan Charleston, Town Attorney (via Zoom)  
Catherine Bamba, Attorney (via Zoom)  
Jose Coker, Attorney (via Zoom)  
Melissa Pereira, Town Clerk  
Banard Lemon, Audio Visual Coordinator  
Tim Middleton, Supervisor, Cumberland County Waste  
Tim Garner, Director, Spring Lake Water Treatment Plant  
Deanna Rosario, Supervisor, Spring Lake Stormwater  
Dysoaneik Spellman, Interim Police Chief  
David Erwin, Accounting & Financial Management Advisor, Local Government Commission  
Mark Baker, Program Analyst, Local Government Commission  
Jason Williams, Spring Lake Fire Chief

**1. Call to order**

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

**2. Invocation and Pledge of Allegiance**

Fire Chief Jason Williams gave the invocation and led the Pledge of Allegiance.

**3. Additions or Deletions**

None

**4. Approval of Agenda**

Action: Approval of the April 11, 2022 Board of Aldermen Work Session Meeting.

Motion by: Alderwoman Cooper

Second by: Alderman Palacios

Vote: Unanimous

## 5. Approval of Consent Items

Action: Approval of the draft minutes of March 7, 2022, Special Meeting, draft minutes of March 17, 2022, Emergency Meeting, draft minutes of March 28, 2022, Regular Meeting, application for Minimum Housing Appeals Board, Kristine Schara. The draft minutes of March 24, 2022, Special Meeting was denied for more context to be added.

Motion by: Alderwoman Cooper

Second by: Mayor Pro tem Chadwick

Vote: Unanimous

Alderman Palacios welcomed Kristina Schara to the Minimum Housing Appeals Board. Mrs. Schara is the first to serve on the committee.

## 6. Public Comment

None

## 7. Presentation

### a. Local Government Commission Financial Summary Report

Mr. David Erwin provided information regarding the financial summary report ending February 2022. Mr. Erwin stated the town is 66.7 percent through the budget year. Mr. Erwin stated the town's property taxes are at 94 percent with \$190,000 uncollected to date. Mr. Erwin provided details regarding sales tax, and the town's overall budget for the year is at 64 percent. Mr. Erwin gave details regarding the expenditures to date. Mayor Anthony questioned the January Recreation fees and County tax. Mr. Erwin stated there is a possibility that Spring Lake Recreation will partner with Cumberland County Parks and Recreation, and they will compare those funds to the general fund. Mayor Anthony questioned the additional \$38,000. Mr. Erwin stated these are the received fees from the Cumberland County Parks and Recreation. Alderman Lackman questioned the additional fees from Parks and Recreation County tax at 75 percent. Mr. Erwin explained tax consolidation with the fees that made the \$50,000. Alderwoman Cooper questioned the interfund transfers and other revenues on the financial report. Alderwoman Cooper expressed her concerns about the other category on the financial report because during training they were told to never use the word other. Mr. Erwin stated if the other revenues were listed it would add another page or two. Mr. Erwin provided information regarding the accounting system and the fact the finance department should never add other revenues or miscellaneous revenues only a defined revenue. Alderwoman Cooper asked for an itemized other revenue list. Mr. Erwin stated he will provide that information. Alderwoman Cooper questioned the interfund transfers. Mr. Erwin stated he would let the Board know, and the interfund transfers should be called an expense account, for example, a utility fund which is an expense to the utility fund. Mr. Erwin stated it's an offset to the expenditures. Alderman Lackman questioned the non-Departmental item under expenditures and encumbrances increased by \$90,000, and Governing Body and Finance decreased. Mr. Erwin stated this is the timeline between January 2022 to February 2022, and that he would have to review the financial summary reports. Alderman Lackman had concerns regarding the decrease in the Governing Body and Administration fund balance. Mr. Erwin stated he will have to review the January 2022 report for further clarification. Alderman Lackman questioned the Public Safety Vehicle Lease in expenditures and encumbrances increased by 92.27 percent. Mr. Erwin stated the lease will go over budget. Alderman Palacios questioned the February numbers are lower than the January numbers on the financial report. Mr. Palacios questioned the IT/Communications expenditures and

encumbrances increase. Mr. Erwin stated he will review it. Alderman Palacios questioned the debt service payments increasing the town's budget. Mr. Erwin stated no, the town will not go over budget. Alderman Palacios questioned the Powell Bill in the other revenue section. Mr. Erwin stated the Powell bill is placed in the Restricted intergovernmental and others under Revenues. Mr. Erwin stated the amount was over \$250,000. Alderman Palacios questioned using the funds annually. Mr. Erwin stated he and the Interim Town Manager Joe Durham will have to discuss. Mr. Erwin stated the Powell Bills are very specific on how to use to spend the funds. Alderwoman Cooper gave details regarding a list of roads the town would repave using the Powell Bill funds. Interim Town Manager Joe Durham stated we would look into this, and review what are the expenditures for this process. Mayor Anthony questioned the town paying for public transportation for \$32,000. Mr. Erwin stated it was the last payment for transportation that ended in October 2021. Mr. Erwin provided details regarding the Water and Sewer Fund at 60 percent of the budget, and that's a good place to be. Mr. Erwin stated Stormwater and Sanitation are within budget. Mayor Anthony questioned the FEMA reimbursement. Mr. Erwin stated FEMA is a one-time reimbursement. Mr. Erwin stated the current revenue looks good, and the town is living within its means. Mr. Erwin provided details regarding an audit. Mr. Erwin stated it's a steep climb right now for the town's budget. Alderman Palacios questioned the numbers for FY 20-21 audit. Mr. Erwin stated if the auditors can't audit; they will do a disclaimer. Mayor Anthony questioned if we don't have any accurate information then the town doesn't get any accurate response. Mr. Erwin stated that's correct because there's too much missing documentation and questionable documentation. Mr. Erwin stated they will attempt to do an audit but we will have to wait and see. Alderwoman Cooper questioned the Water and Sewer transfers at \$1,887,000 to the General Fund from 2014 through 2018 to support its General Fund and without the detection each year from the auditors. Mr. Erwin stated we pulled that number from the audit, however, it's not illegal to transfer. Mr. Erwin provided details regarding allowable funds. Mr. Erwin provided information regarding the \$1,877,000 that will be validated on behalf of the Water and Sewer Plant expenses. Mr. Erwin stated the town must pay the Water and Sewer fund before the town can apply for water and sewer grants or loans from the State. Alderwoman Cooper had concerns regarding records to know how much money will have to go back to the Water and Sewer Fund so the town can apply for funding. Mr. Erwin stated we do have audits from 2014 to 2018. Mr. Erwin provided information that we would examine the audits on what was an interfund subsidiary and interfund expense. Mr. Erwin stated if we find interfund expenses, it will reduce the transfer amount. Alderman Palacios questioned if the town does have to transfer the \$1,887,000 to the Water and Sewer Fund from the General Fund then we would still have to pay it back. Mr. Erwin stated that's the worst-case scenario. Mr. Erwin stated we are working on mitigating the possibility. Mayor Anthony questioned the Fleet Maintenance transfers. Mr. Erwin stated they will be in the March 2022 report. Alderman Lackman questioned the water purchases in the Water and Sewer Fund. Mr. Erwin stated water costs money, and we purchase from Harnett County. Mr. Erwin stated the encumbrance should not be more than the expenditures. Alderman Palacios questioned how the town was going to use the American Rescue Plan Act Funds. Mr. Durham stated we would talk about this during the town's budget work session. Alderman Palacios questioned the town's bank reconciliations being current. Mr. Erwin stated he is not sure, but the accounts are current. Alderman Palacios asked about Positive Pay. Mr. Erwin stated we are reviewing all checks clearing daily. Alderman Palacios questioned if the town had any type of fraud recently. Mr. Erwin stated no fraud. Mr. Erwin stated we will know if any types of fraud occur. Mayor Anthony questioned the \$5.9 million for the Water Treatment Plant. Mr. Erwin stated that was the FEMA Funding Plan, and the town needs to repurpose those funds. Mr. Erwin stated the Water Treatment Plant's location is in a flooding zone. Mr. Erwin stated they are working with DEQ for other options for Spring Lake Wastewater. Mayor Anthony asked about the town's investments and trust accounts balance. Mr. Erwin stated there are several million dollars in the North Carolina Management Trust, and the Truist account for around \$600,000. Mayor Anthony questioned what procedures are in place to ensure the town doesn't experience missing cash. Mr. Erwin stated the previous manager did checks and balances and separation of duties. Mr. Erwin gave details that no person alone can take cash and deposit, credit cards are severely limited, two signatures on checks, and contracted finance staff. Mayor Anthony questioned the Local Government Commissions' exit strategy

this summer. Mr. Erwin stated he would have to ask Ms. Susan McCullen. Mr. Erwin explained the biggest issue is employing finance staff.

#### b. Spring Lake Forward Concept Magazine

Ms. Debra Clyde presented to the Board the Spring Lake Forward Magazine at no cost to the town. Ms. Clyde provided details regarding the contents of the magazine. Ms. Clyde expressed her concerns about Spring Lake receiving positive exposure and the purpose of this magazine. Ms. Clyde requested to feature the Board of Aldermen, town employees, and community events in her magazine. Ms. Clyde stated the first few magazine issues will be digital. Ms. Clyde stated she hopes she will have the magazine out at the end of the month. Mayor Anthony commended Ms. Clyde on her magazine and has her full support. Alderwoman Cooper expressed her thanks, and she agreed the town needs to tell its story. Alderman Lackman expressed his thanks and asked where the information will be available. Ms. Clyde stated [springlakeforward@gmail.com](mailto:springlakeforward@gmail.com) is the current email address to send information. Alderman questioned the Spring Lake Chamber of Commerce being reactivated. Mayor Anthony stated the Greater Sandhills Chamber is officially located in Spring Lake on 127 Main Street. Alderwoman Cooper stated they are accepting memberships. Alderman Palacios expressed his thanks.

#### c. 5 for Friday/Cumberland County Solid Waste Anti-Litter Campaigns

Mrs. Deanna Rosario provided information about the litter in the community and cleaning up the town. Mrs. Rosario explained the 5 for Friday Program anti-litter campaign entails individuals picking up 5 pieces of trash and recycling materials every Friday, and Cumberland County Solid Waste will pick up the trash at a location within the town. Mr. Tim Middleton gave details about the anti-litter campaign in Cumberland County.

During the presentation, Alderman Lackman provided information regarding the Spring Lake Matters cleanup. Alderman Lackman stated the first Saturday of each month, they pick up litter in the community. Alderman Lackman questioned the type of trash that is authorized for pick up from Cumberland County Solid Waste. Mr. Middleton stated they are working on creating different times for different litter items. Mr. Middleton stated all trash items need to be placed in a central location for pickup.

Alderman Lackman provided information on the aluminum cans drop-off. Alderman Lackman stated the location is by the Spring Lake Fire Department. Fire Chief Jason Williams gave details to collect cans for the Burn Children Fund. Fire Chief Williams stated we use that money to help pay for vehicle gas so they can go to their treatments. He stated the money pays for food and special clothing.

Mayor Anthony expressed thanks and appreciation to Alderman Lackman, Alderwoman Thompson, and Alderman Palacios for their devoted work to cleaning up the town. Mayor Anthony suggested the town's logo be called Spring Lake Spruce Up. Alderman Palacios expressed thanks to Mr. Middleton. Mrs. Rosario provided information regarding a resolution that will need to be approved by the Board to join 5 for Friday anti-litter campaign.

### **8. New Business**

a. Resolution (2022) 4, Resolution by the Board of Aldermen of the Town of Spring Lake, North Carolina, Appointing Administrative Staff for the Development, Administration, and Enforcement of Development Regulations Authorized by Chapter 160D of the North Carolina General Statute and Chapter 42 Zoning Ordinance of the Town of Spring Lake

Interim Town Manager Joe Durham provided information regarding the 160D Chapter 42 Zoning Ordinance. Mr. Durham started on June 28, 2021, the Board of Aldermen adopted Zoning Ordinance amendments to reflect the changes to Chapter 160D of the General Statutes, however, administrative staff, as permitted by Chapter 160D of the General Statutes, were not appointed. Mr. Durham requested approval of Resolution (2022) 4.

**Action:** Approval of Resolution (2022) 4 by the Board of Aldermen of the Town of Spring Lake, North Carolina, Appointing Administrative Staff for the Development, Administration, and Enforcement of Development Regulations Authorized by Chapter 160D of the North Carolina General Statute and Chapter 42 Zoning Ordinance of the Town of Spring Lake.

**Motion:** Alderwoman Cooper

**Second by:** Mayor Pro tem Chadwick

**Vote:** Unanimous

Alderman Palacios questioned the responsibilities of the administrative staff. Mr. Durham stated when we have a zoning ordinance there is a lot of planning someone needs to enforce the zoning ordinance. Alderman Lackman questioned zoning cases. Mr. Durham stated the town is involved with Cumberland County Joint Planning. Alderwoman Cooper questioned who was the executive assistant. Mr. Durham explained that we should never appoint someone by their name, only the positions because names will change.

#### b. Interim Town Manager Appointment

Mayor Anthony stated the Board of Aldermen is appointing the Interim Town Manager Joe Durham subject to the approval of contract provisions and terms by the Local Government Commission.

**Action:** The Board approved a motion of the appointment subject to the approval of contract provisions and terms by the Local Government Commission.

**Motion:** Alderwoman Thompson

**Second by:** Alderman Lackman

**Vote:** Unanimous

#### c. Town Manager Report

Mr. Durham provided details regarding the FY 22-23 budget process. Mr. Durham stated he will poll the Board for some appropriate dates for the budget work session. Mr. Durham gave details in regards to working with David Erwin from the Local Government Commission. Mr. Durham stated the staff will continue to work with the Local Government Commission as it pertains to the audit.

### 9. Closed Session

Pursuant to N.C.G.S. §143-318.11(a)(6) – Personnel

**Action:** The Board approved a motion to go into closed session pursuant to N.C.G.S. §143-318.11(a)(6) - Personnel

**Motion:** Alderman Palacios

**Second by:** Alderwoman Cooper

**Vote:** Unanimous

Alderman Palacios made a motion, Alderwoman Cooper seconded by, to reconvene in open session. No action was taken.

10. Adjournment.

Action: There being no further business to come before the Board, the meeting was adjourned at 8:13 p.m.

Motion: Alderwoman Cooper

Second by: Mayor Pro tem Chadwick

Vote: Unanimous



Kia Anthony  
Mayor

ATTEST:



Melissa Pereira, CMC  
Town Clerk