

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

May 23, 2022

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 Kia Anthony presiding.

Board Members Present:
Mayor Pro Tem Robyn Chadwick
Alderwoman Soñia Cooper
Alderman Marvin Lackman
Alderman Raul Palacios
Alderwoman Adrian Thompson

Others Present:

Joe Durham, Interim Town Manager
Jose Coker, Attorney (via Zoom)
Catherine Bamba, Attorney (via Zoom)
Melissa Pereira, Town Clerk
Banard Lemon, Audio Visual Coordinator
Dysoaneik Spellman, Interim Police Chief
Jason Williams, Spring Lake Fire Chief
Tim Garner, Director, Water Treatment Plant
Kris Schara, Media Coordinator, Spring Lake Senior Enrichment Center
David Erwin, Accounting & Financial Mgmt. Advisor, Local Government Commission
Mark Baker, Program Analyst, Local Government Commission

1. Call to order

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

2. Invocation and Pledge of Allegiance

Mrs. Fredricka Sutherland gave the Invocation and led the Pledge of Allegiance.

3. Additions or Deletions

None

4. Approval of Agenda

Action: Approval of the May 23, 2022 Board of Aldermen Regular Meeting.

Motion by: Alderman Palacios

Second by: Alderman Lackman

Vote: Unanimous

5. Approval of Consent Items

Action: Approval of the draft minutes of the May 9, 2022, Work Session Meeting, and item 5b Board Appointment, Military and Veterans Advisory Committee, Gloria Watterson.

Motion by: Alderwoman Cooper

Second by: Alderwoman Thompson

Vote: Unanimous

6. Public Comment

Honorable Rosalyn Hood stated she has served the community as a Prosecutor for the Cumberland County District Attorney's Office for 14 years. She has experience in both District and Superior Courts, specializing in Juvenile and Domestic Violence Cases. Honorable Rosalyn Hood stated she has handled everything from a traffic ticket to a murder. Honorable Rosalyn Hood stated she also has served in the Army Reserves for over 14 years and is currently ranked as a Major. Honorable Rosalyn Hood expressed her thanks and appreciation for the Town of Spring Lake's support in the primary election.

7. Presentation

a. Local Government Commission Financial Update

Mr. David Erwin gave details regarding the March 2022 financial report. Mr. Erwin provided information that the town is 75 percent through the budget year, and property taxes were 98 percent of the budget. Mr. Erwin gave details about the additional 2 percent was at \$64,000, sales taxes are 59 percent, and a total of \$1.63 million in the General Fund. Mr. Erwin stated the town's budget is at the 75 percent mark for the year. Mr. Erwin provided information regarding the Water and Sewer Fund's operating revenues at 73 percent. He stated the Water and Sewer Fund and Stormwater Fund are doing quite well this fiscal year. Mayor Anthony questioned the Sanitation Fund regarding residential collection overspending. Mr. Erwin stated when we spend against the purchase order; we also simultaneously have to remove the encumbrance or we go over. Mr. Erwin believes it was a timing issue that we weren't ever overspending but the encumbrance figure was too large. Alderwoman Cooper questioned auditing the town's trash and recycling pickup due to vacancies and the number of trash containers some households own. Mr. Durham stated that's on the list of things to do, and we will do an audit. Mayor Anthony questioned the General Fund. Mr. Erwin provided information regarding the General Fund revenues. Mr. Erwin gave details regarding the Police Department comprising around 30 percent of the budget, and they're at 74 percent of their targeted budget. Mr. Erwin stated the Fire Department comprises around 20 percent of the budget, and they're at 55 percent of their expenditure budget. Mr. Erwin stated both departments are half of the budget, and they need to be watched. He stated that both departments are doing a great job keeping within budget. Mayor Anthony questioned the Fire Department within the General Fund. Mr. Erwin provided information on department transfers which are moving monies, and they can include in the next report. Alderman Palacios questioned the contractor who built the fire station. Mr. Durham stated around \$106,000.

Alderman Palacios sent Mr. Erwin an email with questions to be answered at the Board meeting. The questions are as follows:

1. Alderman Palacios questioned the Powell Bill funds at the April 11th meeting, have we put a system in place to document expenditures? Alderman Palacios questioned have we confirmed the balance we have for Powell Bill

funding? Alderman Palacios stated I see we budgeted for \$250k in revenue for this item, but budgeted over \$443k in expenditures. Mr. Erwin stated the town now has a system in place for documenting Powell Bill (PB) eligible expenditures. Mr. Erwin stated Mr. Durham can elaborate further. Mr. Erwin provided information in regards to the budget disparity, that is not unusual to have more Powell Bill eligible expenditure budget than Powell Bill revenue budget. The difference is covered by other General Fund resources.

2. Was there an update to mitigate the Water/Sewer fund transfer issue of some \$1.88m during 2014-2018? Mr. Erwin stated no update as this item has yet to be reviewed in detail.

3. There was a discussion to set up Positive Pay with TRUIST, have to automate that process yet, or are we will be doing that manually? Mr. Erwin stated we are working with Truist to get the positive pay process automated. He stated the manual process has been scaled back somewhat due to time constraints and the fact that it prohibited recipients of town checks from cashing the check at a Truist branch. Mr. Erwin stated a lot of small-dollar refunds have been issued in recent weeks and there have been a lot of instances of payees attempting to cash town checks at Truist. Mr. Erwin stated under a full manual positive pay process checks could not be cashed without first getting an oral OK from me which was too time-intensive for both the bank staff and myself and the citizens. Mr. Erwin stated we are urgently moving forward to get an automated solution in place.

4. Are the Bank Recons up to date? Mr. Erwin stated yes and no. He stated the fiscal year 2022 monthly activity is being reconciled, but we do not have a full reconciliation of the June 30, 2021 ending balance, which is our beginning balance for the fiscal year 2022. Mr. Erwin stated once we have a full reconciliation for the current year's beginning balance, then we can say the bank reconciliations are fully up to date. Mr. Erwin provided information on hiring an auditor to do the 2022 audit by October 31st.

5. Is there any update on the Water Treatment Plant repairs, replacements, etc.? Mr. Erwin stated there was a discussion that there was \$5.9 million left to spend from FEMA funding. Mr. Erwin stated there is no update on the Waste Water plant needs. Mr. Erwin gave details regarding the plans to build a wall around the Water Treatment Plant and replace the existing equipment. Alderman Palacios stated he toured the plant, and building a wall would not do much because the plant is close to the river. Mr. Erwin provided information regarding tapping into the Harnett County water supply for \$28 million. Mr. Erwin stated they are working on conducting an engineering study on the plant. Alderman Palacios questioned the timeframe for conducting the study. Mr. Erwin stated we have to get a grant for AIA studies and they are called inventory studies. Mr. Erwin stated they take 4 to 6 months to complete. Alderman Palacios questioned whether we can use the \$400,000 state legislative money to conduct the study. Mr. Erwin stated yes. Mr. Durham stated we will continue to look at the options and which ones are cost-effective. Alderman Lackman questioned the general fund's negative balance of \$600,000. Mr. Erwin stated that the town will spend more than \$600,000 before you'll take in between April and June 30th. Alderwoman Cooper questioned the Waste Water Treatment Plant being in a flood zone. Mr. Durham explained the requirement to redraw the maps at 500 years which is not in 100 years. Mayor Anthony questioned the 17 policies that were listed in the budget hearing last year in June 2021. Mr. Erwin stated they have been working more so on the finances. Mr. Erwin stated some work has been completed. Mayor Anthony expressed her thanks and appreciation for all the work the Local Government Commission has done to help make the town stable again.

b. North Carolina Senior Games

Mrs. Kris Schara presented the winners of the North Carolina Senior Games. Mrs. Schara provided information regarding the history of the North Carolina Senior Games. She stated the Senior Games started in 1983, and the purpose was to keep the seniors healthy and active.

c. Special Olympics

Sergeant Napoleon McCormick gave an update regarding the Spring Lake Police Department Special Olympics Torch Run. Sergeant McCormick stated the primary goal is to raise \$7,000 to have the Police Department on the back of the t-shirt for next year. Sergeant McCormick stated we have \$6,741 so far.

Mayor Anthony provided a few updates regarding this month as Military Appreciation Month. Mayor Anthony stated we want to make sure we acknowledge all of those who are serving and those who have served. Mayor Anthony provided information that Alderman Lackman, Alderwoman Thompson, Ms. Melissa Pereira, and herself are all prior military. Mayor Anthony asked if anyone in the audience was military to please stand. Mayor Anthony provided information about the Department of Affairs will hold the first Army Birthday Reenlistment Ceremony at Segra Stadium in Fayetteville, North Carolina on June 14th from 5:00 pm to 7:00 pm.

Mayor Anthony expressed her appreciation for the town cleanups. Mayor Anthony provided details regarding Alderman Lackman, Alderwoman Thompson, and Alderman Palacios's efforts with town cleanups every month. Mayor Anthony gave thanks to Ms. Barbara Lewis for her good deeds to help with town cleanups. Mayor Anthony stated Ms. Lewis bought her trash bags and trash grabbers. Mayor Anthony gave praise to the citizens and Appearance Committee for all their hard work cleaning up the community. Mayor Anthony stated Grogg Street has been cleaned up after many years. Mayor Anthony stated Spring Lake Matters meets on the first of the month in the parking lot by Big Lots.

Mayor Anthony announced the Budget Work Session will be held on May 31, 2022, at 5:30 pm, the Budget Public Hearing will be held on June 13, 2022, at 7:00 pm, and the Local Government Commission will adopt the Budget on June 27, 2022. Mayor Anthony announced on June 20, 2022, at 6:45 pm the Public Hearing for the Cumberland County Recreation Service District will be held. Mayor Anthony announced the July 4th Freedom Festival event is canceled. Mayor Anthony provided information on Hurricane season and asked citizens to start preparing.

Alderwoman Cooper provided information on the school's Summer Feeding Program.

Mayor Anthony provided information on the upcoming Memorial Day event on May 27, 2022, at 10:00 am in the Recreation Center gym.


8. Adjournment.

Action: There being no further business to come before the Board, the meeting was adjourned at 7:01 p.m.

Motion: Alderwoman Cooper

Second by: Alderman Lackman

Vote: Unanimous



Kia Anthony
Mayor

ATTEST:



Melissa Pereira, CMC
Town Clerk