

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

May 31, 2022

**MINUTES**

6:00 p.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 Kia Anthony presiding.

**Board Members Present:**

- Mayor Pro Tem Robyn Chadwick
- Alderwoman Sofia Cooper
- Alderman Marvin Lackman
- Alderman Raul Palacios (via Zoom)
- Alderwoman Adrian Thompson

**Others Present:**

- Joe Durham, Interim Town Manager
- Catherine Bamba, Attorney (via Zoom)
- Jose Coker, Attorney (via Zoom)
- Melissa Pereira, Town Clerk
- Banard Lemon, Audio Visual Coordinator
- Tim Garner, Director, Spring Lake Water Treatment Plant
- Dysoaneik Spellman, Spring Lake Interim Police Chief
- David Erwin, Accounting & Financial Management Advisor, Local Government Commission
- Mark Baker, Program Analyst, Local Government Commission (via Zoom)
- 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**

Interim Police Chief Dysoaneik Spellman gave the invocation and led the Pledge of Allegiance.

**3. Purpose**

**a. Budget Work Session FY 2022-2023**

Mr. Joe Durham provided details for the budget process. Mr. Durham stated this year things are different because the Board is not adopting the budget, the Local Government Commission will adopt the Budget for FY 2022-2023. Mr. Durham stated we have developed a budget in accordance with North Carolina General Statute 159, and the existing accounting system we have in place. Mr. Durham stated the Budget Public Hearing will be held on June 13, 2022, at 7:00 pm. Mr. Durham expressed his appreciation to the staff for all the hard work they have done by submitting budgets and adhering to the process. Mr. Durham gave details about the revenue budget being conservative and realistic this year. Mr. Durham explained the expense and revenue worksheet report. Mr. Durham

gave details regarding the General Fund's total budget is \$8,032,144. Mr. Durham provided information on the following proposed budget:

1. Fund balance increase of \$250,000
2. Finance staffing
3. Outsourcing services
4. Return to full salaries (elimination of furloughs)
5. 3% COLA for employees
6. Property Tax Revenues are flat with no tax increase - \$2,858,627
7. Sales tax revenues – Increase of 15.84%- \$2.8 million to \$3.2 million
8. Health insurance Decreases by 4.1% generating a savings of \$23,760 with no increase for employees
9. Short Term Disability is eliminated generating a savings of \$13,573.
10. No New Positions were added and No Positions were eliminated
11. The Transfer of Recreation and Parks to Fayetteville and Cumberland is still under review and an evaluation-budgeted expenditure of \$300,000

Mr. Durham stated by transferring the Parks and Recs with Cumberland County would generate cost savings also better scheduling, better access, and better customer service, and for that reason is why we chose to move forward. Mr. Durham stated there is a proposed Public Hearing scheduled for June 20, 2022, at 6:45 at the Fayetteville Court House. Alderman Lackman applauded Mr. Durham for property taxes not being raised and for all the hard work. Alderman Lackman questioned the 50/50 split with finance and whether or not there will be an increase or decrease. Mr. Durham stated it's projected to be revenue-neutral at this stage. Mr. Durham stated we are not spending any more money than what we have spent this past year. Alderman Lackman questioned the opening of employee positions. Mr. Durham stated yes and none of the positions were eliminated. Mr. Durham stated all those positions that were funded will be funded for this upcoming year. Mr. Durham stated we can hire for the vacancies that are posted. Alderwoman Cooper questioned with the elimination of short-term disability how many employees will that affected. Mr. Durham stated there's not a significant number of employees who were enrolled for that benefit. Mr. Durham stated that benefits employees can purchase on their own. Alderwoman Cooper questioned the \$300,000 budgeted for the Recreation Center. Mr. Durham stated that an appropriation that we would make to Fayetteville Cumberland County, and still represents a \$100,000 savings. Alderwoman Cooper questioned if the salaries and benefits were included. Mr. Durham stated yes if you look at what we were paying over the last year versus what was appropriated this year. Mr. Durham stated it is about \$100,000+ we are saving. Alderwoman Cooper questioned the dollar amount being more like a couple of million with the Recreation and Senior Center. Mr. Durham stated we can look past expenditures versus the appropriation for this year. Mayor Anthony provided information by clarifying the merging of Spring Lake Recreation Center and Fayetteville Cumberland County is a county-wide program. Alderwoman Cooper provided details regarding that 9 out of 10 municipalities are part of the program, and Hope Mills is the only one that has not joined the program. Mr. Durham stated we would still be in charge of the scheduling. Mayor Anthony questioned if any employees were affected by the health insurance decrease. Mr. Durham stated no, the health insurance benefits that were offered previously will still be available. Mr. Durham stated open enrollment will begin soon. Alderman Palacios questioned the sales tax revenue increase. Mr. Durham stated there is no increase in sales tax break but it does represent revenue with an increase in sales. Alderman Palacios questioned has the town received an increase in sales tax. Mr. Durham stated yes, we are close to what we budgeted in revenues this year and a projected increase for next year. Mr. David Erwin provided information from the General Fund. Mr. Erwin stated for next year there is a projection of a 14 percent increase in sales tax. Alderman Palacios questioned the town is \$450,000 over than what we projected. Mr. Erwin stated yes.

Mr. Erwin provided information regarding the General Fund budget. Mr. Erwin stated last year's budget was reduced by 14 percent in the General Fund which caused all the cuts and furloughs. Mr. Erwin gave details that in the 2021 budget there was a \$647,842 fund balance appropriation that was taken out of savings but the savings wasn't there. Mr. Erwin explained that's why the town had a horrific year. Mr. Erwin stated for the 2022-2023 budget the general fund is increasing by two percent, and that's a success story for Spring Lake. Mr. Erwin stated due to the departments and the finance staff being held accountable for purchase orders, and transfers, and lived within their means. Mr. Erwin stated that's the difference between being diligent about staying within your budget. Mr. Erwin stated he considers this to be a very positive budget because of the due diligence of everybody in Spring Lake has practiced this year with all funds.

Mr. Erwin gave details regarding the Sanitation Fund and Water and Sewer Fund. Mr. Erwin stated the water and Sewer Fund needed no fund balance to replenish because it did well this year. Mr. Erwin stated there are water and sewer increases. Mr. Erwin provided details regarding the Water Treatment Plant infrastructure that will have to be repaired in the distant future. Mr. Erwin stated the water rate will increase by 15 percent, and the sewer rate by five percent. Mayor Anthony stated with inflation. Mr. Erwin provided information regarding the Stormwater Fund and Fleet Maintenance Fund.

Mr. Erwin provided information regarding the next steps. Mr. Erwin stated the steps are to process information, and if need be, the Board can have another meeting next week if they need additional information. Mr. Erwin stated the Local Government Commission Budget Public Hearing is on June 13, 2022, at 7:00 pm. Mr. Erwin stated on June 27, 2022, the Local Government Commission and the Board of Aldermen will collaborate on budget approval and adoption. Alderman Lackman questioned the cost savings regarding the 5 percent furloughs. Mr. Erwin stated he will find out. Alderman Lackman expressed his appreciation and thanks to the town employees for the sacrifices they have made to help the town get out of the hole we are in. Mr. Erwin stated yes, it's been a good year. Alderman Palacios stated he knows the water and sewer rate increases are going to affect some people, and it's a hard pill to swallow because the town has to have the resources and funding to be able to address and fix the issues. Alderman Palacios stated the previous rates were not making the town enough money to counter the repairs being done. Mr. Erwin stated we are hoping we can make corrections with American Rescue Program money. Alderman Palacios questioned the stormwater rates due to the town doesn't know or have a plan for the repairs that are needed. Mr. Erwin stated that's correct. Alderwoman Cooper asked to place the rate study on our website. Mr. Durham stated we will. Mayor Anthony gave details that the community should know what's going on with the ongoing process for any municipality. Mr. Erwin stated the water and sewer rates will show an increase on the August bills.

Mr. Durham provided details for future issues. The issues are as follows:

- Transition of LGC
- Financial Policies – create and update
- The hiring of an Attorney, Finance Director and staff, Town Manager, Police Chief
- Continue to review opportunities for mergers, consolidation, and cost savings
- Continue to budget and spend within the means
- Financial stability is a long game

4. Adjournment.

Action: There being no further business to come before the Board, the meeting was adjourned at 6:10 p.m.

Motion: Alderman Lackman

Second by: Alderwoman Cooper

Vote: Unanimous



Kia Anthony  
Mayor

ATTEST:



Melissa Pereira, CMC

Town Clerk