

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

June 7, 2023

**MINUTES**

6:00 pm

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 Soña Cooper  
Alderman Marvin Lackman  
Alderman Raul Palacios  
Alderwoman Adrian Thompson

**Others Present:**

Tiffany Anderson, Local Government Commission  
Carly Autry, Town Clerk  
Sylvia Blinson, Director, Greg W. Isley CPA, PA  
David Erwin, Local Government Commission  
Tim Garner, Director of Water Treatment Plant  
Patricia Hickmon, Executive Assistant/Zoning Administrative Officer  
Terry Hock, Payroll/HR Director  
Banard Lemon, Audio Visual Coordinator  
Debra Mack via Zoom, Director, Greg W. Isley CPA, PA  
Renee Robinson, Revenue Supervisor  
Dysoaneik Spellman, Chief of Police  
Jason Williams, Interim Town Manager/Fire Chief  
Steve Wing, Building Grounds Director

**1. Call to order**

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

**2. Invocation and Pledge of Allegiance**

Alderwoman Adrian Thompson gave the invocation and led the Pledge of Allegiance.

**3. Open Session – Budget Work Session FY 2023-2024**

Mr. Erwin presented a PowerPoint that discussed the Budget Process, Rate and Fee Schedule, General Fund, Enterprise Water/Sewer Fund, Enterprise Sanitation Fund, Enterprise Stormwater Fund, and Fleet Maintenance.

Mr. Erwin stated the budget follows North Carolina General Statute 159 means the Budgets are balanced all the debts are budgeted and always paying debt first, the revenues are reasonable and attainable, and the expenditures are necessary and have a public purpose. Mr. Erwin asked the Board if they knew what that meant and Mayor Anthony stated monies that are supposed to be spent for the Town, and Mr. Erwin stated for a public purpose and what gets the Town in trouble with public purposes, is donating money. Mr. Erwin stated money for a non-profit has to be budgeted, which still needs to carry a public purpose.

Mr. Erwin stated he made an error in the Budget message and there is an increase in the Water and Sewer Enterprise because the Town needs to keep on schedule with the MacConnell & Associates Rate Study and the table is available for viewing.

Mr. Erwin stated new positions will enhance the Town's compliance but should also lead to some increased revenue for Inspections

Mr. Erwin stated the rate increase to comply with the rate steady based on 5,000 gallons a month residential user, water is going up 6.8%, sewer 14.6%, and combined is 10.8%. Mr. Erwin stated the rates used last year in the table were from 2022 and now 2024 rates were used. Mayor Anthony stated for absolute clarification, when these rates go up, it is not because the Town wants to raise rates but because the Town is in compliance with the rate fee schedule for 2024 and this is standard. Mayor Anthony stated Spring Lake is not trying to raise rates just to make or take money, this is regular inflation, growth, and maintenance, and the Town must do it as the water source fund is a business. Alderwoman Cooper asked if the Town get an increase in the cost of the water from Harnett County and Mr. Erwin stated yes there were some increases.

Alderwoman Cooper asked about the new Grapple truck and if the Town owes any other monies or does the Town own it outright and Mr. Erwin stated outright.

Mayor Anthony asked Tim Garner what ERU stands for under the Stormwater Fund and Mr. Garner stated Estimated Residential Use.

Mr. Erwin stated the stormwater fund is budgeting for some Capital but also building reserves for more stormwater projects that will be upcoming. Alderman Lackman asked what are the upcoming projects for stormwater. Alderman Palacios stated Goodyear Drive and Mayor Anthony stated Wapiti Drive. Mayor Anthony asked Tim Garner and he stated both. Alderman Lackman asked regarding those projects, will it be a complete sewer redo or water lines and asked about the footage. Mr. Garner came to the front and spoke to the Board. Mr. Garner stated as for the footage he was not sure but Wapiti Drive is a total pipe replacement in enlargement and is the only thing that would improve that section of pipes, and Goodyear Drive is getting in there to see what needs to be done with the ditch. Alderman Lackman asked for Wapiti Drive is it a four (4) or six (6) inch? Mr. Garner stated it is a 16 but probably needs to be a 30 for the stormwater. Alderman Palacios asked regarding AIA, what is the projective date to be completed? Mr. Garner stated about one (1) year, so hopefully by this time next year, the Town should have a working 10-year CIP (Capital Improvement Plan) for water sewer but does not include stormwater. Alderman Palacios stated that Mr. Erwin stated it is going to require another water pay rate study. Mr. Garner stated it is going to incorporate the actual CIP. Alderman Palacios asked if that would be included in it and Mr. Garner stated yes, correct. Alderman Palacios stated the first year the Town had the water pay study done, the pay increase for the rate increase for the water and sewer was not incorporated. Alderman Lackman asked Mr. Garner if there were any other projects for the next year. Mr. Garner stated there are none for stormwater at this time because a lot of it is reserved, for example, the Wapiti project. Mr. Erwin mentioned the engineer working on the rate study, once completed, needs to handle a working model the Town can maintain and keep up, and stated he will offer the Town help if needed.

Mr. Erwin stated the LGC is scheduled to adopt the Budget on Monday, June 26, 2023, at 1:30 pm, but the legal adoption will happen on Monday, June 26, 2023. Mr. Erwin stated since the Town can not necessarily adopt the Budget but can endorse it.

Mr. Erwin stated with this Budget and all the current employees plus the proposed editions, there will be 91 full-time staff here in Spring Lake, 72 of them are in the General Fund, which Admin has four (4), Finance has four (4), Public Buildings has four (4), Police has thirty (30), Fire has been broken down in two (2) sets, fifteen (15) and Manchester nine (9) totaling 24, Inspections has two (2), and Streets has four (4). Alderwoman Cooper asked Mr. Erwin just because the position is authorized does not mean it has to be filled, is that correct? Mr. Erwin stated it means the money has been budgeted.

Alderman Palacios stated he knows the Town did not make any changes to the health insurance and has seen emails in the manager's report about speaking to different health insurance companies and asked Mr. Terry Hock how many companies did he speak to. Mr. Hock stated the Town got quotes from the current benefit advisors and independent benefit advisors, Cornerstone, and Olde Fayetteville, totaling three (3) companies.

Alderman Lackman asked for clarification in regards to the Code Enforcement position as it is listed under the Police Department and Inspections. Mr. Williams stated it is in two (2) places but the idea was first put in the Police Department, however, after speaking to Chief Spellman, his employees are not ready for that so they met with another company (Alliance Code Enforcement) that is coming in to attack these places, but it is only one (1) position, which will work with Lynn Hickmon to get the Town cleaned up. Mr. Williams stated once everything gets to where it is supposed to be, it can get moved over to the Police Department to maintain. Alderman Lackman stated to be clear, Code Enforcement will address nuisance, as well as the Code Enforcement, and asked what aspect of Code Enforcement is the Town looking at with this company. Mr. Williams stated they do it all, grass, houses, buildings, everything the Town wants them to do for half the price of what is being paid now. Ms. Debra Mack, who was attending via Zoom, stated Inspections originally asked for a Code Enforcement Officer, and during discussions with the Audit Committee, Interim Town Manager, and Police Chief, it was moved to Police. Ms. Mack stated on the summary page for Inspections, there is a deduction for the Audit Committee that affects salaries and benefits, so the position is not funded, and they wanted the Board to see what was originally asked for. Ms. Mack stated it is funded in one place, which is in Police, and it is Police/Code Enforcement and they moved it to Police so they would have enforcement ability in addition to code work. Mrs. Hickmon stated the company will do zoning violations, nuisance code violations, junk vehicles, and unsafe buildings to a certain point because they are not qualified building inspectors to the North Carolina Qualification Board but will start the due process of it. Mayor Anthony stated the Town is paying N-Focus \$73.00 an hour, and this company only charges \$40.00 an hour. Mrs. Hickmon stated this company is all retired Police Officers. Alderman Lackman stated he would like for the Town to be transparent with the residents so this is not a surprise to them and they should start now on cleaning up those areas. Mayor Anthony stated this company is about relationship building, transparency, compassion, and empathy is what they lead with. Alderman Palacios stated it sounds like this company is going to be a lot cheaper than hiring personnel. Mayor Anthony stated it will translate very easily and no budget amendments will have to be done. Alderwoman Cooper asked if anything would need to be changed if the Town decided to go with the contract, like a budget amendment or transfer. Mr. Erwin stated it will be set up before the budget is approved.

Alderman Palacios asked Mr. Erwin how is the Town going to prepare for the shortfall of around \$1.1K that will be happening in approximately two (2) years. Mr. Erwin stated that is a good question but some of the fee increases will help. Ms. Mack explained the drop in the fund balance due to old outstanding issues on the books going back as far as 2012 and acknowledged Ms. Sylvia for correcting these issues. Ms. Sylvia stated the General Funds Fund Balance was decreased because if there is a deficit, it is required to budget that deficit and unfortunately these deficits have come back for some time, the oldest being around 2005. Ms. Mack went into detail regarding budget ordinances and transfers from the General Fund.

Mr. Erwin stated the Town paid back what was owed to Utility so that is clear. Alderman Palacios asked if the Board can get what debt services the Town owes right now. Mr. Erwin stated he will get the debt schedule. Ms. Mack stated regarding the General Fund debt, the Community Center for Recreation is a USDA loan and it will not be paid off until 2048, which is around \$100,00 a year, and there is a loan currently for two (2) fire trucks, however, there is a debt in Streets that will be paid off in October of this year. Mayor Anthony stated alternative revenue sources need to be sought and that is something she has been digging into and challenges the Board to be as innovative as possible, and goes to the department heads as well.

Alderman Lackman asked Ms. Mack about the shortcomings the Finance department has found and cleaned up, and what can the Town do to further prevent that. Ms. Mack stated the Town needs to hire qualified, experienced people, and the Town will have to pay them, to keep the Finance department running smoothly.

Alderman Palacios asked Mr. Williams regarding the fee schedule, there was nothing about the Adopt-a-Street and if the Town starts charging and repackaging that program, it would need to be in the fee schedule and Mr. Williams stated that is correct. Mrs. Hickmon approached and stated it says other rates and fees may be found in local ordinances and asked Alderman Palacios if it was in an ordinance or policy. Alderman Palacios stated he was not sure. Mayor Anthony asked the Town Clerk to investigate it. Ms. Mack recommended ordinances to reference the current fee schedule.

Alderman Palacios stated on page 1 of 76 of the revenue, the Interlocal Agreement, and asked to please specify what that is. Ms. Mack stated that is an agreement to agree not to challenge and allow those places to be annexed by Fayetteville, however, Fayetteville gains all that population. Ms. Mack stated there are revenue streams that are tied to the population that is allocated and distributed based on that Interlocal Agreement and increase revenue with Spring Lake for not contesting it because the military will not allow an annexation if there are any other government units that challenge it.

Alderman Palacios stated regarding the fire department fees, from \$28,000 this budget, and jumped to \$54,000, assuming that is inspections and getting a fire inspector. Mr. Williams stated that is correct. Alderman Palacios asked if inspections were still behind and Mr. Williams stated yes but that will all change for next year because of the funds and the increase of fees, so the money should look a lot better next year.

Alderwoman Cooper asked Chief Spellman when was the last time yard sale fees were increased. Chief Spellman stated it has been a while, approximately five (5) or six (6) years. Alderwoman Cooper requested

Chief Spellman to possibly increase the yard sale fee to \$10.00 and enforce it. Alderwoman Cooper stated there were no increases on any of the fines for citations and asked Chief Spellman if there is there a reason why. Chief Spellman stated there are not a whole lot of violations as far as ordinances, so there is no need to increase them. Alderwoman Cooper did not agree with Chief Spellman and stated she has seen numerous violations and feels like these need to be enforced, like semi-trailers, loud music, and guns. Alderman Lackman expressed his concerns to Chief Spellman for the fines for cruelty to animals and abandonment of animals is only \$25.00 and feels this should be increased.

Alderman Palacios stated in the water-sewer budget, there is the Chapel Hill Road project, the capital overlay for \$150,000, and maybe through a grant, and asked Mr. Garner about that. Mr. Garner stated there is a \$500,000 ARPA allocation that will be tried to be used for that project, but the engineers are going to evaluate that and another site, which is Mack Street, and whichever one comes out the worst, is what that money is going to be allocated for. Mr. Garner stated there might be an opportunity it can be used for both, depending on the cost. Mr. Erwin stated that money has not been budgeted yet, due to waiting on costs, however, the grant is a direct allocation, but no money has been received yet and the budget will be appropriated once there is an understanding of what is going to be done.

Alderman Lackman stated he sees Mr. Steve Wing is asking for an Administrative Assistant and asked him why. Mr. Wing stated with the amount of paperwork that is generated through the departments, Fleet Maintenance, Street Department, and Sanitation, is overwhelming, and without the help of Carol in the Fire Department, and Mrs. Hickmon taking on some responsibility, they were inundated and so behind. Alderman Lackman asked if this included the Powell Bill money. Mr. Wing stated the Powell Bill money will be used to try to rectify the Powell Bill streets in the proper procedure to benefit the Town. Alderwoman Cooper asked Mr. Wing about the paving on Goodyear Drive. Mr. Wing stated Mr. Eckert went through the neighborhood and notated all areas and once the money is allocated, that project will start. Alderwoman Cooper asked Ms. Mack if part of the Administrative Assistant's position could be paid out of the Powell Bill. Ms. Mack stated the only way Powell Bill money could be used for a salary, it must be directed to a repair or something happening on the site.

Mr. Williams stated all the new equipment that was bought will be at the next Board of Aldermen meeting, which is Monday, June 12, 2023, for all the residents of the Town to see.

Alderman Palacios asked where in the Budget is the Arts allocation. Mayor Anthony stated that should not be budgeted because it is an automatic allotment from the Arts Council but if it is not requested, then it will not be received. Mr. Williams stated once the check is received, then it will be added. Mr. Garner approached and stated one thing that does have to be allocated in this budget is the extra \$5,000, and the fundraising possibilities that were discussed during the meetings but cannot count on that, so that must be included in this budget for the project. Mayor Anthony stated for clarity, this is about the mural project. Alderman Palacios stated the mural project is estimated to be about \$13,000, anticipating \$8,000 through grants, and the other \$5,000 through donations but the Town cannot enter a contract unless the Town has the money. Ms. Sylvia explained the Arts allocation and how it works in detail. Mr. Williams asked Ms. Mack if this is something that could be squeezed in the 23-24 Budget. Ms. Mack stated it would be like an appropriation to the General Fund, which would be part of it, but there is \$4,000 already budgeted that is coming from the Arts Council but that is it. Ms. Mack stated at that time, she did not have the total budget or what was needed as there was no budget request for the entire project but if the Town

wants to fund it entirely, it would be \$13,000 that would need to be added to that budget and then that expenditure would be added and that would go down into the Appearance Commission budget. Ms. Mack explained to the Board what will need to be done if there was fundraising for the project. Ms. Mack requested a copy of the letter from the Arts Council granting the Town an extension of the \$4,000 grant until August 31, 2023, someone then could prepare the total budget for the project and then it could be added to the 2024 budget if the LGC is okay with it being amended and the adjustments can be made to the final budget and adopt an ordinance. Ms. Mack stated her recommendation is for the Town to get a contract together that can be signed on July 1, 2023, as it cannot be signed before because the budget has not been adopted yet, have the purchase order ready, or whatever it is going to take to get that coordinated and ready to go July 1, 2023. Mayor Anthony stated the community needs to be updated on these changes because previously the Town was not going to fund this project.

Mayor Anthony requested to showcase the new fire truck at the next Board of Aldermen meeting along with the new equipment.

#### 4. Adjournment.

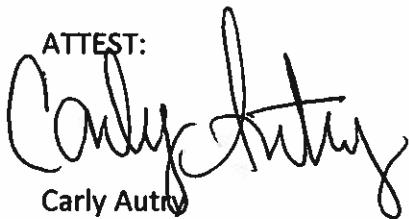
**Action:** There being no further business to come before the Board, the meeting was adjourned at 7:57 pm.

**Motion:** Alderman Lackman

**Second by:** Alderman Palacios

**Vote:** Unanimous

ATTEST:



Carly Autry  
Town Clerk



Kia Anthony  
Mayor