

Town of Spring Lake

BOARD OF ALDERMEN

Soña L. Cooper, Mayor Pro Tem
Robyn Chadwick, Alderwoman
Marvin Lackman, Alderman
Raul Palacios, Alderman
Adrian Thompson, Alderwoman



CHARTERED IN 1951

OFFICE OF THE MAYOR

Kia Anthony, Mayor

ADMINISTRATION

Jason Williams, Interim Town Manager
Carly Autry, Town Clerk
Michael R. Porter, Town Attorney

Board of Aldermen Work Session Meeting Agenda Monday, April 22, 2024 6:00 PM Grady Howard Conference Room

The public may view the live Board of Aldermen Meeting on the Town's YouTube Channel:

www.townofspringlake.com

1. **CALL TO ORDER**
2. **INVOCATION AND PLEDGE OF ALLEGIANCE** – Pastor Long
3. **ADDITIONS AND DELETIONS**
4. **APPROVAL OF AGENDA**
5. **APPROVAL OF CONSENT ITEMS**
 - a. Draft Minutes of November 27, 2023, Work Session
 - b. Draft Minutes of March 25, 2024, Work Session
 - c. Begin the New Work Session Meeting Agenda
 - d. Community Appearance and Sustainability Committee Application – Lennox Jobe
6. **PUBLIC COMMENT (Limit 3 minutes per speaker)**
7. **PRESENTATIONS**
8. **NEW BUSINESS**
 - a. Discussion Regarding Public Hearing Held for Proposed Town Charter Amendment – Alderman Raul Palacios
 - b. Discussion Regarding Mayor's Right to Vote – Mayor Kia Anthony
 - c. Discussion Regarding Town of Spring Lake Policies – Mayor Kia Anthony
 - d. Mayor's Report – Mayor Kia Anthony
 - e. Board of Aldermen Report – Spring Lake Board of Aldermen
 - f. Manager's Report – Interim Town Manager Jason Williams

g. Town Attorney Report – Town Attorney Michael Porter

9. ADJOURNMENT

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

November 27, 2023

MINUTES

6:00 pm

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 L. Cooper
Alderman Marvin Lackman
Alderman Raul Palacios
Alderwoman Adrian Thompson

Others Present:

Carly Autry, Town Clerk
Banard Lemon, Audio Visual Coordinator
Michael Porter, Town Attorney
Dysoaneik Spellman, Spring Lake Police Chief
Lieutenant Danny Sutton, Police Department
Jason Williams, Spring Lake Fire Chief/Interim Town Manager

1. Call to order

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

2. Invocation and Pledge of Allegiance

Pastor Vernon Marsh gave the invocation and led the Pledge of Allegiance.

3. Additions or Deletions

Alderman Palacios requested to add New Business, item 8h. discussion of the style of the Governing Body regarding Naming.

4. Approval of Agenda

Action: Approval of the Agenda with no additions or deletions.

Motion by: Alderwoman Cooper

Second by: Alderman Lackman

Vote: Unanimous

5. Approval of Consent Items

Action: Approval of Draft Minutes of November 13, 2023, Regular Meeting. Alderman Lackman stated the Invocation and Pledge of Allegiance was led by Janet Perry, not Rita Perry. Town Clerk Carly Autry was instructed to make the necessary change before signing and posting the approved minutes.

Motion by: Alderwoman Cooper

Second by: Alderwoman Thompson

Vote: Unanimous

6. Public Comment

None.

7. Presentations

None.

8. New Business

Mayor Anthony took a Point of Privilege and started with agenda item g.

g. Board Discussion Regarding Work Session Agenda – Mayor Kia Anthony - Mayor Anthony proposed eliminating Public Comments because the Board is only required by statute to have Public Comments during one of the regularly scheduled meetings. Mayor Anthony also proposed removing the individual updates during the work sessions unless there is something pertinent that is happening and needs to be updated, therefore, a Point of Privilege can be taken at that time. Ms. Autry asked Mayor Anthony if she wanted to take out presentations as well and Mayor Anthony stated yes so it gives the Board time to openly discuss the presentations they heard in the regular meeting. Mayor Anthony also stated no voting during work sessions. Mayor Anthony stated to add these proposals to the agenda for the regular meeting in January to approve these changes and asked Attorney Porter if this was legal. Attorney Porter stated yes, it is legal. Alderman Palacios stated he agrees with everything, except the Public Comment section. Alderwoman Cooper and Mayor Pro Tem Chadwick both stated they agreed with Alderman Palacios. Mayor Anthony agreed to leave Public Comments. Alderwoman Cooper stated she is in favor of removing presentations and the Board updates during work sessions. Mayor Anthony stated the Board can take a General Consensus to add this to the next regular meeting in January.

a. Discussion of Monthly Financial Update – Mayor Kia Anthony – Mayor Anthony stated the monthly financial updates were a requirement set by the State Auditor when they came and did the State audit and one of the major recommendations was to make sure the Board received monthly financial updates. Mayor Anthony stated since Mr. Erwin left, Ms. Boyle has been stagnant in getting these reports on time, so she told Ms. Boyle she would discuss this with the Board. Mayor Anthony stated Debra Mack would provide a summary report the Board could discuss and hopefully someone from the Finance Department could give the Board monthly updates. Alderwoman Cooper stated whether someone comes or not, she would love to have the report emailed monthly and on time. Mayor Anthony stated she addressed Ms. Boyle about getting the reports on time and Ms. Boyle agreed. Alderman Lackman stated he would like to see a report on where the Town was 12 months ago versus today. Mayor Anthony stated in January that the Board should see a comprehensive update and the LGC is also working on the new Fiscal Accountability Agreement. Alderwoman Cooper asked about the audit and has it started. Mr. Williams stated no, it was

supposed to start this month but the contract is not in place yet. Mayor Anthony requested for the audit to be put on the list of LGC questions so they could give the Board a more precise timeline for the audit.

b. Appropriate Grant Funds for Capital Project Veterans Park – Interim Town Manager Jason Williams – Mr. Williams stated this is one of the appropriated grants from the North Carolina Budget of \$110,000 for Veterans Park to be corrected and fixed and the LGC is voting on it, but wants the Board to vote on it as well. Mayor Anthony stated this is taking the initiative to have the LGC start treating the Board as if they have been released but have zero say on what is going to happen with this. Alderman Lackman acknowledged Representative Lucas for allocating these funds and will discuss more options regarding the park with the Military and Veterans Affairs Advisory Committee. Alderman Lackman also acknowledged Mr. Williams, Steve Wing, and the City of Fayetteville for the coordination of this project. Mayor Anthony stated this money was allocated to the Town in the 2021 budget, the year the Board came into office, however, the financial situation was a bit chaotic, and were not authorized to spend this money. Mayor Anthony stated until the finances are straight, the LGC is authorized to spend this money. Alderwoman Cooper asked when is the public forum going to be held for this. Mayor Anthony asked Alderman Lackman if it was December 14th. Alderman Lackman stated options are being discussed with the Military and Veterans Affairs Advisory Committee, but looking around the December 20th timeframe. Alderwoman Cooper asked if this was not going to be at a Board meeting. Alderman Lackman stated it would not be at a Board meeting, but would be here in this room, which votes would be done with a marble. Mayor Anthony stated kind of like the Board did with the Land Use Plan. Alderwoman Cooper stated there have been past issues with committees having forums or taking in a vote outside a Board meeting and wants to make sure the Board is well within the rules. Attorney Porter stated if it is just an informal information-gathering and not a final vote, it should be fine. Alderwoman Cooper expressed her concerns about putting the public forum in the paper and stated it is almost like it is the Board of Aldermen holding the forum. Alderwoman Thompson stated she thinks it is just for the people involved and to get the community to come out, and not so much as an official meeting or a forum. Alderwoman Cooper expressed her concerns again about putting the forum in the newspaper and thinks people would get confused with it being a Town-sponsored forum. Mayor Anthony stated it is Town-sponsored. Alderwoman Cooper stated the Board and their forums are one thing but a committee forum advertised in the paper is going to be confusing for people. Mayor Anthony stated it is more of a community stakeholders' event and it is a Town function. Mayor Anthony stated the Town is hosting the event and wants to solicit public input. Mayor Anthony asked how should the Board how do they propose to mitigate this. Alderman Palacios stated he does not think people are going to read the newspaper and the Board diverting this approval. Mayor Anthony stated whatever the community says, that is what is to be seen at Veterans Park. Alderwoman Thompson stated for this to be explained on social media, the website, and the newspaper that it is not a Board forum. Mayor Anthony suggested a public stakeholder meeting or public input. Mayor Anthony requested the Clerk to research how to word that this is not a formal vote, just public input.

c. Appropriate Grant Funds for Capital Project Cumberland County Recreation Service District – Interim Town Manager Jason Williams – Mr. Williams stated the Town has had this money, which is \$200,000, for two (2) years but this was a great merger with the County. Alderman Palacios stated this merger has helped the Town save money, especially with all the repairs that had to be done. Alderman Lackman explained some of the funds which are \$90,000 are for equipment, \$30,000 for the installation of the new equipment for the parks, and \$50,000 for rubberized surfaces at the parks and stated this should be completed by June

7, 2024, depending on the weather. Alderwoman Cooper stated the Board decided this merger was a great decision but the LGC made the final decision to move forward with this. Mayor Anthony gave a cost comprehension for the playground equipment and why this was a good move for the Town. Alderman Lackman asked Mr. Williams if the rubberized surfaces included all parks or just Mendoza Park. Mr. Williams stated it covers all parks. Mr. Williams stated the Rex Perry sign has not been forgotten about and it is in the process of being worked out and the Police Chief is working on the sign for the Police Annex. Mayor Anthony reiterated that if any of the park equipment is unsafe, it will be removed and destroyed, and not moved from one park to another. Mayor Anthony stated there were repairs done at the Recreation Center as well.

d. 2023-2025 Budget Appropriations – Interim Town Manager Jason Williams – Mr. Williams stated one of these appropriations is for the 2023-2025 Budget for the natural gas lines to be extended throughout the Town, computer systems, and the parks. Mayor Anthony stated the funds were just awarded to the Town and acknowledged Senator McInnis and Representative Lucas for working hard for these appropriations. Mayor Anthony stated another one of the appropriations is going towards Mutzberg Park, which is 39 acres. Mayor Anthony stated the last appropriation is for Town software upgrades, and hopefully for an app for Town residents. Mayor Anthony stated the appropriations would have to be adopted via Resolution and then appropriate the funds into the Budget. Alderman Lackman expressed his excitement for these appropriations.

e. Board Discussion Regarding When People Work – Mayor Kia Anthony – Mayor Anthony stated this program is for funding for Veterans. When People Work provided an example contract with another municipality. Mayor Anthony stated she has been trying to formalize opportunities to use this funding. Mayor Anthony asked Mr. Sherrod Knox how much funding was available and Mr. Knox stated it was based on their financial bankers. Mayor Anthony read a snippet from the VetBridge program, which helps with mental health for Veterans and justice-impacted citizens to lower recidivism to provide opportunities. Mayor Anthony stated she would like for When People Work and Habitat for Humanity to partner together. Mayor Anthony stated Spring Lake has minimal resources to help with homelessness and possibly come up with a transportation service to help transport the homeless to facilities until there is one here in Spring Lake. Alderwoman Cooper stated the homeless have become more visible in Spring Lake within the last six (6) months. Attorney Porter asked Mr. Knox to explain more regarding the payment structure as he knows his company would provide the initial investment. Mr. Knox stated it is based on the savings after each of the successes of the programs of how much the Town would have to pay back. Attorney Porter asked Mr. Knox how the metric determined the savings as the Town does not provide all services for Veterans and the homeless. Mr. Knox stated that would be determined during the contract and determines what programs the Town wants to be active in. Mr. Knox explained how his company became interested in Spring Lake and he is also familiar with the area. Alderman Lackman stated he would like to see where the priorities of the Board lay whether it is housing, medical, or job preparedness. Mayor Anthony would like to survey Veterans regarding these programs to see which areas they would like the Town to focus on. Alderwoman Cooper stated she would like to have discussions with the Board regarding what areas to focus on such as justice-impacted citizens and transportation. Attorney Porter stated to the Board that they should get something more concrete before presenting it to the LGC. Mayor Anthony asked Mr. Knox how could the Board start getting this more concrete and Mr. Knox stated to have another meeting to lay these items out, including finances. Attorney Porter asked Mr. Knox did his company had any ideas for Spring Lake and he

stated yes, but would go with what the Town sees fit. Mr. Knox listed the areas of North Carolina where he has done these projects and what projects they were. Mr. Knox also explained how his organization was started. Mayor Anthony stated she challenges the Board to come up with some creative projects. Mayor Anthony stated the next conversation would be bringing in the LGC to keep this on the forefront.

f. Board Discussion Regarding Habitat for Humanity – Mayor Kia Anthony – Mayor Anthony stated Habitat Humanity presented at the last meeting and would like to bring Tiny Home and duplex projects to the Town. Mayor Anthony stated conversations were discussed regarding the initial location, which was right behind Town Hall, however, there were discussions to move the location and would discuss that in Closed Session. Mayor Anthony stated they were going to do a mock-up for the Board to see what the project would look like. Mayor Anthony stated there were two (2) options for the land, either the Town buys the land and sells it to Habitat for Humanity at a low price or grants them the land. Mr. Williams stated this still needs to be looked at and see which way to go, but is something that the Town should work for. Mayor Anthony stated Habitat for Humanity to ready to move if the Town can secure the land or parcel, even if that means bringing in stakeholders. Alderwoman Cooper asked Attorney Porter if the Board is within the rights to sell land as this has happened in the past. Attorney Porter stated something like Habitat of Humanity, yes because it is for the public welfare. Mayor Anthony stated the Town's buy-in is for them to come and build the houses for the Town. Attorney Porter fully answered Alderwoman Cooper's question by stating the Town can sell land without going through the bidding process if it is for the public welfare. Mayor Anthony stated hopefully a stakeholder will sell the land to Habitat for Humanity, which would also provide the stakeholder with an incentive. Alderman Lackman stated these projects would bring in extra funding to Town finances. Mayor Anthony stated the lifespan of a Tiny Home is 25-30 years, which adds stability and longevity. Mr. Williams stated that Habitat for Humanity works with people who want to buy the homes budget and tries to get them in those homes. Alderman Palacios stated he was glad that the initial location of the Tiny Home projects was changed as it raised concerns for him and Alderman Lackman. Mayor Anthony stated the next interaction with Habitat of Humanity is them bringing the Board a mock layout of what the project would look like and housing designs.

h. Board Discussion Regarding Election Cycle, Term Limits and Naming – Alderman Raul Palacios – First, Alderman Palacios stated he would like to discuss moving the election cycle from odd-numbered years to even-numbered years and this change could help the voter turnout for Spring Lake. Alderman Palacios stated he is not proposing to do this but is biased about it and mentioned the pros and cons of this change. Alderwoman Cooper stated she does not think the Town citizens would be happy about that being changed. Mayor Anthony stated instead of switching the years, try more voter engagement and find a way to increase voter turnout, and is in favor of the term limit change. Mayor Pro Tem Chadwick stated she agrees with Alderwoman Cooper that change would not be great and is not in agreeance, but thinks the Board needs to get involved with more community engagement. Alderman Lackman stated it starts with the people. Mayor Anthony suggested reaching out to some organizations that help with community and voter engagement. Alderwoman Thompson stated she is always putting forth effort for transportation because a lot of Town residents do not have transportation, which could also have something to do with voter turnout. Alderman Palacios stated this can be tabled to an undisclosed date to see if there is any type of community engagement regarding it. Second, Alderman Palacios stated the second discussion is changing terms of office from 2-year terms to 4-year terms for future elections. Alderman Palacios stated he is not in favor of staggered terms due to institutional knowledge. Mayor Anthony stated she is in favor of changing this as

two (2) is not long enough and there needs to be some stability in the Town's government. Mayor Pro Tem Chadwick stated she is not in favor because it does not allow fresh ideas for changes. Alderwoman Thompson stated she was in favor of this change. Alderwoman Cooper stated she was in favor of this change but did not want staggered terms. Alderman Lackman stated he is in favor of this change, but not staggered terms. Alderwoman Cooper stated to Mayor Pro Tem Chadwick a way to keep ideas fresh is by training and attending webinars. Mr. Williams stated he agrees with the Board about going from 2-year terms to 4-year terms. Mayor Pro Tem Chadwick stated for now she stands at staying at 2-year terms but will let the Board know if she changes her mind. Mayor Anthony stated this change would be cost-saving. Last, Alderman Palacios stated he wanted to discuss the style of the Governing Body from Aldermen to Commissioners, a gender-neutral term. Mayor Anthony and the whole Board stated they are in favor of this change. Attorney Porter stated there is a process and he can work with Ms. Autry on it and has spoken to Alderman Palacios about this, but the Board would have to modify or amend the Town Charter. Attorney Porter stated he does not think there is enough time to get it on the next regular session, but it can be done, or in the alternative, which would take two (2) years, it could be brought before the voters of the Town and let them decide, and a Public Hearing must take place. Mayor Anthony stated to try to get working on this so it can be taken to the Legislature for the short session for approval, and the local representatives have already been contacted regarding this and they are in favor of these changes. Mayor Anthony stated to do a consensus at the next meeting to give the Clerk authorization to start working on this and bring it back at the work session. Attorney Porter stated the Board does not have to wait to do a consensus, as they can do it now to give the Clerk authorization to start working on these changes.

Consensus for the Town Clerk to start working on the process for the Charter change to change from 2-year terms to 4-year terms and the name change from Aldermen to Commissioners.

i. Discussion Regarding Draft Rules of Procedure – Town Clerk Carly Autry – Mayor Anthony stated the first correction regarding the Rules of Procedure if the Board changes terms, is the 2 to 4-year term lengths, on Page 1 under Introductions. Ms. Autry stated she did some research and on 6/22/20, the Board gave consensus for the Board to start drafting Rules of Procedure and apparently, it was never done. Ms. Autry stated she drafted the Rules of Procedure with the help of Alderman Palacios and will discuss what changes will be made as Alderman Palacios also provided a draft. Ms. Autry stated she made a few minor grammatical error changes but there were two (2) major changes she made if that is okay with the Board, which the first was on under **Rule 4. Agenda. Proposed Agenda.**, item f., she deleted 5:00 pm when the agenda packets must be out. Ms. Autry stated the other major change was in **Rule 25. Closed Sessions.**, item a. **Motion to Enter Closed Session**, she changed the examples of the two (2) Closed Session reasons to all reasons allowed to enter Closed Session. Ms. Autry stated she will make all necessary changes if the Board changes term lengths and title. Mayor Anthony stated she wanted to add remote participation in Board meetings and read from Alderman Palacios' drafted Rules of Procedure and wanted to add a section to the sealing of Closed Session minutes regarding Closed Session minutes being active to only active Board members. Ms. Autry stated she would make the suggested corrections and will have it on the January 8, 2024, agenda for voting. Alderman Palacios thanked Ms. Autry for doing these Rules and feels it is important to have these in place, as well as policies. Ms. Autry stated these Rules of Procedure eliminate extra work for policies that may fall under the Rules such as a Closed Session policy or a Public Comment policy. First, Alderman Lackman stated he wanted to add under **Rule 4. Agenda. Proposed Agenda.**, item a. The Mayor and the Board of Aldermen may meet or discuss the Proposed Agenda. Mayor Anthony stated she thinks

this refers more to an agenda-setting meeting and should include a Board member. Ms. Autry asked if she should change it. Alderwoman Thompson stated whoever the Board member is, just make sure you make yourself available. Mayor Anthony stated yes because this would take place during work hours. Alderwoman Cooper stated she feels like the invite should be open to all Board members but make sure it does not create a quorum. Mr. Williams stated he thinks when it states at his or her discretion, it means other Board members could be present if needed. Alderwoman Cooper stated she feels like it should be open to any Board member. Mayor Anthony reiterated this Rule is pertaining to staff and gives her the authority to talk to the staff. Alderwoman Cooper stated this Rule may need some clarification. Second, Alderman Lackman stated he thinks **Rule 14. Voting by Written Ballot.** should be removed because he does not think the Board ever votes by written ballot, as well as under **Rule 30. Appointments.**, item f. **Vote by Written Ballot.** to be removed. The Board agreed to remove **Rule 14.** and item f. under **Rule 30.** Mayor Anthony asked Ms. Autry why she added it to these Rules of Procedure. Ms. Autry stated she researched and saw it on a lot of other municipalities' Rules of Procedure. Alderman Palacios stated he also saw the same thing and did not think it was necessary. Mayor Anthony stated to strike out all items under **Rule 14.** and state No Voting by Written Ballot. Mr. Williams reminded the Board that they are planning this for the next 20+ years. Alderman Palacios stated he thinks it is up to the Governing Body to adopt their own set of Rules of Procedures and thinks it is important to adopt these to set ethical standards. Ms. Autry stated a cover sheet stating the adoption date and note any amendments that could be made. Last, Alderman Lackman wanted clarity on **Rule 31. Committees and Boards.**, item e. **Application.** if it was dealing with the Mayor appointing a Board member onto a committee or dealing with the committee and the members that are on the committee. Mayor Anthony stated item a. under **Rule 31.** answers that question. Attorney Porter stated he understands what Alderman Lackman is saying and feels that the committees would be safe because they are covered under or otherwise provided by the Board. Alderman Lackman stated on item f. **Terms.** under **Rule 31.** regarding the term limits of the committees needs clarity as the Military and Veterans Affairs Advisory Committee was three (3) years but recently changed to two (2). Mayor Anthony stated the Rule states unless otherwise provided by statute or Town Ordinances, which is the Board making that call. Alderwoman Cooper stated she does not think applications for vacancies that come open and are maintained and considered for one (1) year are always followed. Ms. Autry stated she keeps all applications received, files them in the committee folder, and emails them to the Board ex-officio of the committee. Alderwoman Cooper stated she wants to make sure all committees are in line with the two (2) year terms. Attorney Porter stated they do not have to be because it states unless otherwise provided by statute or Town Ordinance. Ms. Autry stated she could add verbiage that states depending on the individual committee Bylaws regarding term limits and will correct it on the Rules of Procedure. Attorney Porter requested to have an agenda for Closed Session. Mayor Anthony stated this has been brought up before regarding an agenda being made available to help stay in line regarding topics of discussion during Closed Session. Attorney Porter proposed to have the Closed Session agenda emailed the day of the meeting to help better prepare himself. Mayor Anthony stated the whole Board has agreed about having some type of guidelines or prenotifications before going into Closed Session. Ms. Autry stated she would add an item under **Rule 5.** and **Rule 25.** about a Closed Session agenda. The Board advised Ms. Autry to add a Rule regarding Adjournment stating the Mayor can adjourn the meeting, as a motion is not needed.

j. Mayor's Report – Mayor Kia Anthony – First, Mayor Anthony wished everyone a Happy Thanksgiving. Second, Mayor Anthony stated the Mayor's Coalition updates were a discussion regarding Gen X and Fort Liberty regarding Manchester Road. Third, Mayor Anthony stated she attended the RLUAC meeting on

Thursday, November 16, 2023, which also discussed Manchester Road updates, the barracks on Fort Liberty, tree clean up on Pope, and infrastructure at the end of Odell Road. Fourth, Mayor Anthony stated she attended the Pine Cone Turkey Contest at W.T. Brown. Fifth, Mayor Anthony stated the Christmas Lighting is on Friday, December 1, 2023. Sixth, Mayor Anthony stated Lunch with the Mayor is Wednesday, November 29, 2023, at noon at LaVista. Last, Mayor Anthony stated she and Alderwoman Cooper had the Thanksgiving feeding and acknowledged Carl Pringle and We Are One Big Family for helping serve almost 300 meals.

k. Board of Aldermen Report – Spring Lake Board of Aldermen – First, Mayor Pro Tem Chadwick stated Mr. Fitch is holding a raffle for a 2013 F-150 Ford Truck to take the youth to Busch Gardens. Mayor Pro Tem Chadwick stated the tickets are \$20.00 each and donations are up to April 15, 2024. Last, Mayor Pro Tem Chadwick acknowledged the Kinsey House by Ms. Debora Hudson and gave her contact information. First, Alderwoman Cooper stated she attended the NLC City Summit in Atlanta, GA from November 15-19, 2023, and she was re-elected to serve on the National Black Caucus of Local Elected Officials (NBC-LEO) and was nominated for an award with Women in Municipal Government (WIMG). Second, Alderwoman Cooper stated she is bringing three (3) Resolutions to the Board on behalf of NCBEMO and asked the Board to adopt Town Resolutions of these. Last, Alderwoman Cooper acknowledged the Thanksgiving feeding and those who participated. First, Alderman Palacios stated December is Yard of the Month Holiday Edition, which would be done on Friday, December 15, 2024, and those citizens will be recognized at the meeting in January. Last, Alderman Palacios stated the Appearance Committee is on Wednesday, January 10, 2024, at 4:00 pm at the Recreation Center. First, Alderwoman Thompson stated at 6:00 pm on December 8, 2023, Cornerstone located at 111 N. Bragg Blvd. is having a movie night. Second, Alderwoman Thompson stated Monday, December 11, 2023, is the Board's swearing-in ceremony. Third, Alderwoman Thompson asks to include those who do not have families during the holidays, even if it is a phone call. Last, Alderwoman Thompson stated Breakfast with Santa is on Saturday, December 16, 2023, at the Spring Lake Recreation Center. Alderman Lackman's announcements are attached (**Attachment A**) and some pictures were broadcast on the big screens regarding his announcements.

l. Manager's Report – Interim Town Manager Jason Williams – First, Mr. Williams stated the light on 210 is now working. Second, McCormick Bridge Road has been paved and is smooth. Last, Mr., Williams acknowledged the Board for caring for the citizens.

m. Town Attorney Report – Town Attorney Michael Porter – Attorney Porter stated that it is Domestic Violence Awareness Month.

9. ADJOURNMENT

Action: There being no further business to come before the Board, the meeting was adjourned at 8:50 pm.

Motion: Alderman Lackman

Second by: Alderwoman Thompson

Vote: Unanimous

ATTEST:

Carly Autry
Town Clerk

Kia Anthony
Mayor

DRAFT

Attachment A

On November 4th, 2023 Spring Lake Hosted a Veteran Service Officer Event at the Spring Lake Recreation Center. Ideas + Action = Results

The **idea** began with an event to help Veterans with their VA claims. The **action** came from the Military and Veterans Affairs Committee putting this event together. The **result** was Veterans (young and old) getting the information and help they needed.

Tonight, I want to recognize the organizations and Veteran Service Officers who participated in this event

Mr. Robert Johnson, NC DMVA Regional III Manager, Fayetteville

Mr. Tab Brown, Department Service Officer, out of Kinston

Mr. Christopher Smith, American Legion Post 32 out of Hope Mills

Mr. Tony Forte, Chapter 46 DAV, Fayetteville

Ms. Karmisha G Hernandez Luciano, Interim Assistant Director- TRiO Veterans Upward Bound Program
Central Carolina Community College

Mr. Christopher "Ranger" Mitchell, Cumberland County Veterans Treatment Court, Fayetteville

VFW Post 4542 / 9103 / American Legion coming out and educating Veterans on what the VFW and the Legion do in and for the community, Linda Richardson, George Reed, and David Dunlap

Mayor, you talk about **YOUR** team, I have a wonderful team myself in **The Spring Lake Military and Veterans Affairs Committee**, with all the behind-the-scenes work and Armand Caron, Tim Baker, Kathie Turner, Irene Rosa, Robert Kennedy. Interim Town Manager, Jason William, Town Clerk Carly Autry, and Banard Lemon for developing the flyer and pushing the information out to the public. I must give a special thanks to the Mayor and BOA for the unanimous support to approve and host this event for ALL Veterans. This is the first time we have done this type of event in Spring Lake since 2018.

Veterans Day Ceremony, November 10, 2023

What needs to be said other than "Thank You" to all those that put it on! Thanks to ALL who showed up and "Thank You" to our Veterans and their families! By now, most of you have seen the pictures on social media! I want to give a "Special Thank You" to the Appearance and Sustainability Committee for reaching out to the Military and Veterans Affairs Committee to do a Joint Ceremony of the mural unveiling and combining it with the Veterans Day Ceremony! This was the key (and Dr. David Dickerhoff dreaming big) to make this happen. Mayor, you talk about Dreaming Big.... This was HUGE!!!

Thank You Ronald Lee Wolfe for capturing such wonderful pictures and sharing them with us!

I was going to talk about the election, but the citizens said it all. Thank You!

Upcoming Events

Military and Veterans Affairs Committee meeting – Tuesday, November 28th, we will be discussing Veterans Park, holding elections, and planning for 2024. We will not be meeting in December. I think this awesome group has earned a little time off... 2024 we will be planning Memorial Day, A Suicide Awareness Event, Veterans Day, and maybe a few other events, you will have to come out and see what is going on in our MVAC. Again, the public is invited and welcome to attend. We meet on the 4th Tuesday of each month at 630 PM here at Town Hall, Grady Howard Conference Room.

Christmas Tree Lighting Ceremony – December 1st, right here at Town Hall. Still looking for a group of carolers to back up Alderman Palacios

Wreaths Across America will have their annual laying of the Wreaths at Sandhills Veterans Cemetery on Saturday, December 16, 2023. The Wreaths will be stored behind Town Hall and will be transported from Town Hall to the cemetery. Anyone with a truck and trailer who would like to participate in transporting the wreaths or the laying of the wreaths is welcome! More information to follow, but the date is Saturday, December 16th.

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

March 25, 2024

MINUTES

6:00 pm

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 Soña L. Cooper
Aldерwoman Robyn Chadwick
Alderman Marvin Lackman
Alderman Raul Palacios
Aldерwoman Adrian Thompson

Others Present:

Tiffany Anderson, Local Government Commission
Carly Autry, Town Clerk
Kendra Boyle, Local Government Commission
Banard Lemon, Audio Visual Coordinator
Michael Porter, Town Attorney
Lieutenant Danny Sutton, Spring Lake Police Department
Lieutenant Gregory Wilkerson, Spring Lake Police Department
Jason Williams, Spring Lake Fire Chief/Interim Town Manager

1. Call to order

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

2. Invocation and Pledge of Allegiance

Pastor Saffold gave the invocation and led the Pledge of Allegiance.

3. Additions or Deletions

Mayor Anthony requested to add the LGC Financial Update New Business, item c.

4. Approval of Agenda

Action: Approval of the Agenda with the addition of the LGC Financial Update under New Business, item c.

Motion by: Aldерwoman Chadwick

Second by: Alderman Palacios

Vote: Unanimous

5. Approval of Consent Items

Action: Approval of Draft Minutes of February 26, 2024, Work Session and Community Appearance and Sustainability Committee – Removal of William Bryant.

Motion by: Alderman Palacios

Second by: Mayor Pro Tem Cooper

Vote: Unanimous

6. Public Comment

Dr. David Dickerhoff, 103 Superior Drive, also a member of Spring Lake First Presbyterian Church, addressed a fence issue on the northern border of the church's property caused by overgrown trees from Spring Lake. With permission, they removed the trees, resulting in a significant amount of wood after 30 years of growth. The town assisted in removing the debris, showcasing cooperation between the town and citizens for mutual benefit, which Dr. Dickerhoff highlighted to the Board.

Regina T. Xadu, 200 Scarborough Street, is enthusiastic about the Military Banner Program project coming to Spring Lake. However, her primary concern is the ongoing issue of recycling in the area. She has observed instances where recycling and garbage are being mixed during collection, despite assurances from the Town that this is not the case. Ms. Xadu has contacted both the Town and GFL about the problem and is awaiting a response. She emphasizes the importance of a proper recycling program for the community and hopes for a resolution to the issue.

7. Presentations

None.

8. Old Business

a. Police Department Increase Re-Vote – Mayor Kia Anthony – Mayor Anthony stated the previous motions were vague and were made for increasing the Police pay and for the subtraction of sleep time from the Fire Department's pay so the Board wanted to redo the motion for clarity for the record. Alderman Palacios asked Town Clerk Carly Autry to send the Board a copy of the verbiage for the motions.

Action: The Board approved a motion to amend Appendix A (Town of Spring Lake, NC Position Classification Plan) of the FY 2023-2024 Adopted Budget, adopted July 1, 2023, to increase the pay grades for police officers by 20%. This motion includes Police Cadets, Police Officers, Police Detectives, Police Sergeants, and Police Lieutenants. This motion does not include salary increases for clerical staff, Police Chief, and part-time Police Officers effective March 25, 2024.

Motion by: Alderwoman Thompson

Second by: Alderwoman Chadwick

Vote: Unanimous

b. Fire Department Eliminating Sleep Pay Re-vote – Mayor Kia Anthony – Mayor Anthony stated the Board is redoing the motion for clarity, as it had the same issue as the Police Department motion.

Action: The Board approved a motion to approve the elimination of sleep time for the Fire Department effective March 25, 2024.

Motion by: Alderwoman Thompson

Second by: Mayor Pro Tem Cooper

Vote: Unanimous

9. New Business

a. Ordinance No. 2024(1) Declaring a Road Closure for the Unveiling of Wall Art Mural – Alderman Raul Palacios – Alderman Palacios stated this project is going to be put up in April on the Sip and Paint building, and that piece was awarded a grant from the Fayetteville Cumberland County Arts Council to the Greater Sandhills Chamber of Commerce of \$15,000. Alderman Palacios stated they worked with the Town's Appearance Committee to finalize the selections for that wall, and this road closure for Main Street on Saturday, May 4, 2024, for the dedication, which is on Main Street from Spring Ave. to Johnson Street but does not think that whole section is needed. Alderman Palacios stated the artist is Carol Curry of Fayetteville and she will be soliciting volunteers from the community to help paint the mural. Mayor Pro Tem Cooper asked since the whole section to be closed off is not needed, does the Ordinance need to be changed? Mr. Williams stated no, just close the section needed.

Action: Approval of the Agenda with the addition of the LGC Financial Update under New Business, item c.

Motion by: Alderman Palacios

Second by: Alderwoman Chadwick

Vote: Unanimous

b. Board Discussion Regarding Evaluation Forms and/or Schedules for Town Attorney, Town Clerk, and Town Manager – Mayor Pro Tem Soña L. Cooper – Mayor Pro Tem Cooper stated the Board had previously discussed what forms to use for evaluating those who report to the Board and those positions are the Attorney, Manager, and Clerk, and wanted to get these forms finalized to discuss when to start implementing them, and maybe even a schedule so the Board could start some type of procedure in place. Mayor Anthony stated the forms were finalized just no set schedule for doing them. Town Clerk Carly Autry stated the forms emailed to the Board were the finalized forms. Mayor Pro Tem Cooper stated the Board needs to set a schedule and start putting this into place. Mayor Anthony asked Mayor Pro Tem Cooper if she would like to suggest a schedule. Mayor Pro Tem Cooper asked the Board how often did they want to go with doing the evaluations. Alderwoman Thompson suggested quarterly and several Board members had feedback regarding quarterly so Mayor Anthony had to remind the Board to use their lights so they do not over-talk where the audience cannot hear and so it does not interfere with the minutes. Mayor Pro Tem Cooper asked Mr. Williams how often does the staff conducts evaluations and Mr. Williams stated once a year. Mayor Anthony asked the Board if they were okay with once a year. Alderman Lackman stated he thinks part of this may come down to the evaluations versus kind of a counseling type of session where you inform the employee how they are doing, and where they stand but annually an evaluation technically is done. Mayor Anthony asked Mr. Williams if he had an employee evaluation schedule or if it was on a

specific schedule. Mr. Williams stated yes, which starts in October as it must be done for the new year, but there is also a self-evaluation that is pushed around the March/April timeframe so employees can set their own goals of what they need to work on and then there is something to go by six (6) months later the regular evaluations. Mr. Williams stated he would get a copy of the self-evaluations for the Board. Mayor Anthony suggested to the Board to jump on the schedule the staff is already on and have the self-evaluations completed by the Attorney, Clerk, and Manager by October and start the employee evaluations in November. Alderwoman Chadwick stated she was going to suggest the same thing regarding the employees doing a self-evaluation, as she thinks those are beneficial. Mayor Pro Tem Cooper asked if this was the schedule the Board was going to adopt to do the self-evaluations in April and the employee evaluations in October and wants to make sure this schedule is on record. Mayor Anthony asked Attorney Porter if adopting this schedule was something that needed to be voted on and Attorney Porter stated no. Mayor Anthony stated this will be put under consent items on the next Regular Meeting agenda so the Board has formal acknowledgment of the schedule.

c. LGC Financial Update, Kendra Boyle, Local Government Commission – Ms. Boyle provided Financial Reports to the Board that came out of the Town's software system, including a compilation for the General Fund. Ms. Boyle first addressed the questions that were submitted to her by Alderman Palacios. First, Ms. Boyle stated there was a mistake on the first page of UNAUDITED where it states % of Budget Used, it should read % of Budget Received for Revenue. Second, Ms. Boyle stated the Fund Balance Appropriated of \$414,000 was made up of \$120,000 for Town Hall's new roof, which was an unexpected expenditure that was paid for with the Town's Fund Balance that was available to be used from previous years, and the other \$294,000 is open purchase orders from the prior fiscal year, which were obligated in fiscal year 2023 that were not paid by June 30, 2023, so they had to be appropriated into fiscal year 2024 to legally pay those. Ms. Boyle stated there is a Section 18 in the Budget that allows for amendments to be made to put open purchase orders or encumbrances into the next fiscal year. Third, Ms. Boyle verified the Town received 57.91% of Revenue through January 31st and expended 48.99%, of which 60% is made up of property taxes and real personal property. Fourth, Ms. Boyle stated that Alderman Palacios pointed out the fact that the Inspections Department has brought in over \$32,000 more than expected for the year and asked if this was a one-off or if this was something to be expected. Ms. Boyle stated this was due to the increase in fees and the housing development in the Town. Fifth, Ms. Boyle gave a breakdown of dues and subscriptions paid out of the Governing Body stating it is currently at \$45,000 thus far. Ms. Boyle stated an amendment had to be done for \$35,000 to the North Carolina League of Municipalities (NCLM) for dues that had not been paid in multiple years, as well as the School of Government (SOG), annual memberships related specifically to Mayor Anthony and Mayor Pro Tem Cooper, and Town memberships such as the Chamber of Commerce and the Mayor's Coalition, all totaling up to \$45,000. Sixth, Ms. Boyle addressed why there were so many Budget amendments from the original adopted Budget Ordinance and the amended Budget. Ms. Boyle stated that was due to the \$294,000 that had to be brought over as those were all expenditures that had to get recorded from that \$120,000 for the new roof, \$75,000 for the anticipated sale of some Capital assets, and the expenditures that were going to be funded with that sale of Capital assets. Seventh, Ms. Boyle stated Alderman Palacios asked about the Finance Department and she stated the Finance Department has spent almost 76% of their total annual Budget due to the contracted services. Ms. Boyle stated there is an anticipated Budget amendment that should take place on April 2, 2024, that will be presented to the LGC to increase the Budget for the Finance Department by \$167,000, of which \$153,000 is paying for the payroll services and the other \$14,000 to pay for the Budget and 2022 Audit work by Greg

Isley's group. Last, Ms. Boyle addressed the water and sewer fund regarding how often the Town is billed by PWC and Harnett Water. Ms. Boyle stated the Town is billed and those are paid monthly but the actual expenditures plus the encumbered take up 100% of the Budget because they are previously encumbered for the Budget. Alderman Palacios asks Ms. Boyle the following questions during her presentation: 1) who oversees the water set-offs? Ms. Boyle stated that based on the presentation given by the Revenue Supervisor at the last meeting, she thinks it would be her. Alderman Palacios asked who should it be and Ms. Boyle stated that should be information that is provided to Finance, Finance then probably processes that information and submits that to file to debt set-off, but if not, some segregation of duties needs to be put into place. 2) Alderman Palacios asked who should be following up or taking charge of this over-million-dollar number that is on the books. Ms. Boyle stated that depends on how it has been done in the past. Alderman Palacios stated it does not stand like it should be the LGC based on Ms. Boyle's answer but Revenue has not acted on it, so is this something Finance should be doing? Ms. Boyle stated someone needs to take ownership. 3) Alderman Palacios stated he was unofficially told that ARPA funds were used for the roof repairs and asked Ms. Boyle if that was true or not. Ms. Boyle stated the Budget amendment that was done was to use Fund Balance and whether that Fund Balance exists because of some type of ARPA Revenue replacement taken in the prior year, that may be the case, but it was not recorded in the ARPA project fund. Mayor Anthony asked Mr. Williams to address this question. Mr. Williams stated Alderman Palacios and Ms. Boyle were correct to a point because the term of ARPA money no longer existed and it was moved into the Fund Balance. Ms. Boyle stated that money was used for expenditures that did not have to be paid out of other sources and when that money was left over, it fell into Fund Balance and could be used. Alderman Palacios asked if all the ARPA money was gone and is now in the Town's Fund Balance and Ms. Boyle stated yes. Mayor Anthony stated that is what the revenue replacement was for with the amount received, the Town was allowed to take the entirety of that money and put it into the Fund Balance. Ms. Boyle stated the revenue replacement ARPA money is but there is other money that is ARPA related that is sitting in a different fund, and not the General Fund. 4) Alderman Palacios asked Ms. Boyle if the \$294,000 for the open purchase orders was money that was unused in the prior fiscal year. Ms. Boyle stated she does not think unused is the correct term. Ms. Boyle stated it was obligated in the prior year but not yet paid for the prior year, so therefore, it was not an expenditure that occurred in the prior year that was expected to be, so it fell into the Fund Balance but still had to be paid the next year. Ms. Boyle stated the open purchase orders were for Communications for computer software, the Police, Fire, and Streets Departments. Ms. Boyle briefly mentioned what those open purchase orders were and Mr. Williams gave explanations of what they were. First, Mayor Pro Tem Cooper stated in a financial update that it was reported that \$200,000 of outstanding balances were current accounts but in the Revenue Supervisor's presentation, she stated a lot of those were current water bills, and Ms. Boyle stated that could have been the case because she saw her presentation and understood what she was saying that they could have been bills that just dropped, I believe on the 18th, so that could have been a good portion. Second, Mayor Pro Tem Cooper asked how can the Board find out what is really outstanding, how to ensure they do not stay outstanding for long periods, and how to write it off. Ms. Boyle stated that would be something that would have to be worked with in conjunction with management to make sure that those get written off. Ms. Boyle stated on the financial statements, that they would be written off but would remain on the accounting records in case something came in to pay against them, but would remain there. Last, Mayor Pro Tem Cooper asked Ms. Boyle if the Town should have a DSO number and Ms. Boyle stated that is what some units of local government do as they set that in their water and sewer department. Mayor Anthony expressed to Ms. Boyle that she would like to see a more streamlined report so the Board and the public

could understand it more and be easily read. Ms. Boyle explained how she generated her reports for the Board but it working to get a more streamlined accounting system, but it is a work in progress. Mayor Pro Tem Cooper asked Ms. Boyle if she could tell the Board what the current Fund Balance is and if the Town received money from the Legislature or Budget for account software. Mayor Anthony stated the Town received a \$250,000 direct appropriation from the State Budget for software. Ms. Boyle asked if the Board wanted to use that money for accounting software and Mayor Anthony stated she did not want to make that type of decision without consulting with the Manager first. Ms. Boyle stated she does not have audited financial statements so she does not know exactly what the Fund Balance is at this time, but since the LGC assumed financial control, the Town has only added to the Fund Balance. Mayor Anthony stated the Board does have a general idea as they receive monthly statements stating the Town's Fund Balance and the investment accounts. Ms. Boyle stated that is cash and it does not state what is restricted because some of that money can only be spent on certain things. Mayor Pro Tem Cooper asked if the reports received include those monies, like what is in investments, restricted or unrestricted. Ms. Boyle stated she cannot tell what is restricted or unrestricted without an amount of accuracy because there are no audited financial statements, but the balance in the Town's investments account is around eleven (11) million but some of that is restricted. Mayor Anthony stated the Board used to receive those before and would like to see that back.

Ms. Boyle stated in regards to the increase in pay for the Police Officers, it is in the Budget Ordinance that anything over 5% must be approved by the LGC so this Resolution that was passed tonight for the Police pay and the Sleep Time, is something the LGC must approve, so it cannot go into effect yet. Ms. Boyle stated the Sleep Time calculation is going to require a Budget amendment, which she does not have to take to the LGC on Tuesday, April 2, 2024. Mayor Anthony asked Mr. Williams when this was previously discussed was this brought to his attention. Mr. Williams stated no, but he has had some discussions with payroll. Ms. Boyle stated she did not know there were any discussions of the change in Sleep Time calculations until she watched the March 11, 2024 Board meeting and based on the calculations that she received from Debra Mack about how much over time would result in the Sleep Time calculation change and there is not enough money in the Budget for Fire and Manchester Fire for what is estimated it will cost for the rest of the fiscal year. Mr. Williams stated he spoke to Debra Mack about this previously but never heard anything back stating there was no money in the Budget for that, however, when he did the calculations, there was money in the Budget, but there must be some disconnection somewhere. Mr. Williams stated there are lapsed salaries that can be used. Ms. Boyle stated for eight (8) pay periods, it is estimated to cost \$36,000 for Fire and \$29,000 for Manchester Fire and that is with benefits, however, Manchester Fire is short \$12,000. Ms. Boyle stated she did not know about the 20% increase for the Police Department until she heard it discussed at the March 11, 2024 Board meeting. Mr. Williams stated that Debra Mack was the one who did the paper for the increase and this was well before the March 11, 2024 meeting. Ms. Boyle stated she thought this was only being discussed when she was copied on an email from February 28, 2024, but she and Mr. Williams have not discussed these increases. Mr. Williams stated that is correct because everything had to go through Debra Mack first who he thought was going to explain it to the LGC. Mr. Williams stated funds were available for the Police Department but never received anything back stating there were no funds for the Sleep Time calculations. Attorney Porter asked if this information was provided in the financial packets provided to the Board tonight and Ms. Boyle stated no, it was provided to the Interim Town Manager by Debra Mack last week. Ms. Autry provided Attorney Porter with an email thread that was taking place between Debra Mack and Paula Stewart during the Board meeting regarding the increases. Mr. Williams

stated he would submit a Budget amendment if that is what he needed to do, and there may have been some miscommunication as he should have spoken to Ms. Boyle directly while this discussion was taking place. Attorney Porter stated this just needs to be fixed and work together on better communication. Mayor Anthony stated processes keep changing, so please send out any changes regarding the process via email so the steps can be followed correctly. Mayor Anthony asked Ms. Boyle what are the next steps to get this passed. Ms. Boyle stated the finances of the Town are under the control of the Local Government Commission (LGC), so when there is a change needed to the Budget between departments, a request could be made to the LGC to make that amendment and bring it to the Board and that has been the process since the get-go. Ms. Boyle stated the Board does not have the authority at this time to make a Resolution regarding these changes and a request to the LGC to vote on this would have to be done. Mayor Anthony asked Ms. Boyle to clarify the steps of getting this done. First, Ms. Boyle stated a conversation between management and the LGC staff about what it is that is being proposed. Second, Ms. Boyle stated calculations with Finance to give to the Board, as well as the LGC, informed information regarding numbers about how much this is going to cost in the current year and the next fiscal year so everyone is making an informed decision. Third, Ms. Boyle stated the Board says this is what they would like to do and makes a request to the LGC to take a vote. Fourth, Ms. Boyle stated the Board does the Resolution. Fifth, Ms. Boyle stated the Board takes the Resolution to the LGC requesting this so the LGC can have the Budget amendment that is needed for the request. Last, Ms. Boyle stated the LGC takes a vote. Mayor Anthony stated that is now on record regarding the process. Mayor Pro Tem Cooper stated on Monday, March 11, 2024, the Board took a vote on this and it came back to the Board stating the motion was done improperly and asked who said that. Ms. Autry stated Debra Mack is the one who said the motions were vague and they needed to be done again to specify language but there was never anything in those emails stating the LGC had to approve anything over 5% and she forwarded all conversations between her, Paula, Debra Mack, and Lt. Wilkerson. Mayor Pro Tem Cooper asked Ms. Boyle why was nothing ever mentioned to the Board because there should have been no reason to even put this back on the agenda if this was not the correct and why wait until the Board did all of this to say something. Ms. Boyle stated Section 15 of the Budget Ordinance that was passed in July states that salaries are set in accordance with the salary schedule and adjustments to salaries that exceed 5% are not permitted without Governing Board approval. Ms. Boyle stated the Governing Board for finances is the Local Government Commission (LGC) and the Interim Town Manager is very aware that he does not have the authority to make any adjustments to salaries of more than 5%. Attorney Porter stated the Board is not disputing that is what it says, the Board is disputing that the calculations were timely communicated and the frustration is that they knew this was going to take place tonight before they walked through these doors tonight and could have pulled someone aside stating there is an issue instead of just sitting there watching the Board have a vote and then say it was wrong. Attorney Porter stated it is not good communication and makes the Board and the LGC staff look bad. Mr. Williams stated he completely understands the 5% but is he wrong for thinking that he must get the Board's approval to be able to do this before he brings it before the LGC? Ms. Boyle stated the Local Government Commission (LGC) would consider making the Budget amendment due to the request of the Board and it was not worded as a request, it was worded as this is what is going to happen. Mr. Williams stated he had to get the Board's approval to make sure they understood then it was going to get turned back over to the LGC. Mr. Williams stated he is confused by this process but will get with Debra Mack and the LGC staff to get things figured out. Ms. Boyle stated she was under the impression the Board realized this when there was a quote in the newspaper that this all had to be approved by the LGC. Mayor Anthony stated the LGC is in control of the Town's finances and she stated Ms. Boyle stated she watched the March 11, 2024, and

asked her if she saw something done wrong, please not expect the Board to get information from the newspaper, it is as simple as an email saying please remove this because the process was wrong.

d. Mayor's Report – Mayor Kia Anthony – First, Mayor Anthony briefly mentioned the lunar eclipse. Last, Mayor Anthony stated on Wednesday, March 27, 2024, is Lunch with the Mayor at Ruby Tuesday at 12 noon

e. Board of Aldermen Report – Spring Lake Board of Aldermen – Mayor Pro Tem Cooper stated she had nothing to report but mentioned that she went to Mountaire Farms on Saturday, March 23, 2024, to pick up some Easter boxes to distribute to people in the community, specifically 50 families in the community. Alderwoman Thompson wished everyone a happy and enjoyable Easter. First, Alderman Lackman stated applications for the Banner Program are due by Friday, April 12, 2024. Second, Alderman Lackman stated the Military Veterans Affairs Committee is tomorrow night, Tuesday, March 26, 2024, at 6:30 pm, here in the Boardroom. Last, Alderman Lackman stated to bring aluminum cans to the can collection point by the Fire Department, as the money goes to the burn children's fund. First, Alderman Palacios stated this Saturday, March 30, 2024, at 10:00 am, is the Easter Egg Hunt at Mendoza Park. Last, Alderman Palacios stated the Earth Day Clean-up is Saturday, April 20, 2024, at the Spring Lake Recreation Center starting at 9:00 am, which is sponsored by the Town with the help of Sustainable Sandhills. Alderwoman Chadwick stated she has no report at this time.

f. Manager's Report – Interim Town Manager Jason Williams – First, Mr. Williams stated Veteran's Park is in the process of getting some work done such as putting up flags, locating the heads for the irrigation system, and putting dirt down. Last, Mr. Williams stated Fayetteville Cumberland County Parks & Recreation is ordering new play equipment for Mendoza Park and the Town is taking down the old play equipment.

g. Town Attorney Report – Town Attorney Michael Porter – Attorney Porter thanked Alderwoman Chadwick and Alderwoman Thompson for attending the Cumberland County Bar Association Annual Gala.

9. ADJOURNMENT

Action: There being no further business to come before the Board, Mayor Anthony adjourned the meeting at 7:12 pm.

ATTEST:

Carly Autry
Town Clerk

Kia Anthony
Mayor



All information provided on this application is public information and may be shared with others upon request

The Town of Spring Lake

APPLICATION FOR COMMITTEE OR BOARD

- Appearance and Sustainability Committee
 Military and Veterans Affairs Committee Special Events Advisory Committee

Last Name	First	Middle	Date
Jobe	Lennox	Philbert	3 Apr-24
Street Address			County
[REDACTED]			Cumberland
City, State, Zip Code			
Spring Lake			
E-mail			
lennoxjobe@yahoo.com			
Home Phone			
[REDACTED]			
Cell Phone			
[REDACTED]			
Attending School			
No			
Do you live inside the town limits of Spring Lake? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Are you currently serving on a Board/Committee of the Town of Spring Lake? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
If so, what is the name(s) of the Board(s)/Committee(s)			
Please describe your education, training, and military background (both work and/or real world) that relates to your interest in serving in this capacity.			
Retired SGM - 27 yrs, BA in Criminal Justice, Fay State Univ. 1st SGT Naples Italy (NATO) 1st SGT Desert Storm			

Are you currently employed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Employer:	
Employer's Address:	
Job Title:	
Description of Job duties:	
List/describe any anticipated conflicts of interest or scheduling challenges you may encounter if appointed Member of Spring Lake Memorial Church Choirs = 2 Rehearse Thursdays and Mondays. DAV Chapter meetings every 4 Thursdays. 1st Junior Vice	
Civic Involvement: Please list the names of all civic organizations in which you are currently involved. Chaplain for the Retired SGMs Association Chapter Service Officer for Disabled American Veterans Chap # 46. Deacon currently serving at Spring Lake Mem Miss Bap Church.	
Signature of Applicant: <u>Demetrius Jobe</u>	Date: <u>3-April-2024</u>

Board of Aldermen Appointment Yes No

Date: _____

Term of Appointment: _____

Signature of Town Clerk: _____



Board of Aldermen Agenda Cover Sheet

Meeting Date

April 22, 2024

Agenda Location

New Business

Item Title

Discussion Regarding Public Hearing Held for Proposed Town Charter Amendment

Presenter

Alderman Raul Palacios

Summary/Description

The Board previously discussed on Monday, November 27, 2023, changing the title of the Board from the Board of Aldermen to the "Board of Commissioners" and changing the election terms for the Mayor and the Board from two-year terms to four-year terms.

The Board adopted a Resolution of Intent to consider an Ordinance amending the Charter on Monday, April 8, 2024, in which the Town Clerk had to publish a Public Hearing notice not less than ten (10) days prior to the date fixed for the Public Hearing, which was advertised in the Fayetteville Observer on Friday, April 12, 2024.

The Board held a Special Meeting which consisted of the Public Hearing on Monday, April 22, 2024, at 5:30 pm regarding the proposed changes. The Board would adopt these changes at the next regular meeting, which is Monday, May 13, 2024, in which the Town Clerk would publish a notice in the paper stating that an Ordinance amending the Charter has been adopted within ten (10) days of adoption.

Requested Action

Council Consensus

Funding Source (If Applicable):

N/A

Cost: N/A Yes No

Additional Documents to be Included in Agenda Packet

Public Notice advertised in the Fayetteville Observer on Friday, April 12, 2024

Public Notices

Originally published at fayobserver.com on 04/12/2024

TOWN OF SPRING LAKE
NOTICE OF PUBLIC
HEARING PROPOSED CHARTER AMENDMENT
ORDINANCE

The public will take notice that the Board of Aldermen of the Town of Spring Lake will conduct a Public Hearing at 5:30 pm on Monday, the 22nd day of April 2024, at 300 RuthStreet, Spring Lake, concerning a proposed Ordinance amending the Charter of the Town of Spring Lake, as set forth in Chapter 670 of the 1951 Session Laws of North Carolina, as amended, to change the length of terms of the Mayor and the Board of Aldermen of the Town of Spring Lake Board of Aldermen from two years to four years and to change the title of Aldermen to Commissioners.

Carly Autry
Town Clerk
Publication Dates
L00000000



Board of Aldermen Agenda Cover Sheet

Meeting Date

April 22, 2024

Agenda Location

New Business

Item Title

Discussion Regarding Town of Spring Lake Policies

Presenter

Mayor Kia Anthony

Summary/Description

Updating needed and outdated policies and personnel guidelines in the Town of Spring Lake can ensure compliance with current laws, promote efficiency, enhance transparency, improve employee morale, and reduce legal risks. It can also help align the Town's practices with modern standards and address any evolving needs or challenges within the organization.

Please note: The (3) policies attached will undergo legal review and are being provided for review and discussion. These policies also state Board of Commissioners based on the Town Charter change to be tentatively adopted on Monday, May 13, 2024.

Requested Action

Other - Discussion

Funding Source (If Applicable):

N/A

Cost: N/A Yes No

Additional Documents to be Included in Agenda Packet

Policies per Fiscal Accountability Agreement
Policies per the FY21-22 Budget Public Hearing
Draft Article IV. Finance and Revenue; Taxation
Draft Policy 43. Financial Policy



LOCAL GOVERNMENT COMMISSION
STATE AND LOCAL GOVERNMENT
FINANCE DIVISION

SHARON EDMUNDSON
DEPUTY TREASURER

5. **By February 1, 2023** – Update or develop, with qualified Manager oversight, written policies for
- a. Ethics and Conflict of interest
 - b. Asset Management and Use of Town Assets
 - c. Revenue Receipt, Recordation and Deposit
 - d. Accounts Payable and Disbursement
 - e. Travel
 - f. Purchasing Procedures and Bidding Requirements
 - g. Fund Balance
 - h. Human Resource
-

Next Steps

- **Budget Implementation & Training**
- **Financial Policies**
 - Fund Balance
 - Cash and Investments
 - Purchasing
 - Capital Assets
 - Grants
 - Surplus Property
 - Write-offs of Uncollectible Accounts
 - Fraud and Reporting
 - Internal Controls/Segregation of Duties
 - Travel
 - Town Vehicle Use
 - Financial Reporting
 - Budgeting
 - Personnel
 - Safety
 - Ethics
 - CIP (Capital Improvements Plan)

ARTICLE IV. FINANCE AND REVENUE; TAXATION

DIVISION 1. GENERAL PROVISIONS

Sec. 2-195. ~~Disbursement of funds.~~ Purpose of Article

The purpose of this article is to provide for a system of financial administration, accounting, fiscal, and budgetary control which conforms to general accepted accounting principles and conforms to the Local Government Budget and Fiscal Control Act. The finance officer is authorized to disburse funds subject to the provisions of the Local Government Budget and Fiscal Control Act. The responsibility for the proper execution of the provisions of this article shall be with the Mayor except where the responsibility is explicitly given to the Town Manager officer, finance director, or the Board of Aldermen.

(Code 1978, § 2.41; Code 1995, § 36.01, Ord. of 1-22-1996)

Commented [JR1]: Need to insert updated code language

Sec. 2-196. Cosigning of checks.

All checks on any official depository shall be signed by the town manager or finance officer, ~~or the deputy finance officer~~ and the mayor or mayor pro tem.

(Code 1995, § 36.02; Ord. of 1-22-1996)

Sec. 2-197. Definitions.

In the fiscal control system of the town, the following terms shall have the respective meanings and applications ascribed to them:

Accrual basis means a method of accounting that recognizes the financial effect of transactions, events, and inter-fund activities when they occur, regardless of the timing of related cash flows.

Appropriation means authorization granted by the mayor and council to make expenditures or to incur obligations for specific purposes.

Appropriation balance means an unencumbered balance of appropriation or allotment and an unexpended balance of appropriation or allotment.

Asset means real and personal property of all kinds of government, including both current assets and fixed assets.

Audit means the examination of records, documents, reports, systems of internal control, accounting and financial procedures, and other evidence for one or more of the following purposes:

- (1) To ascertain whether the statements prepared from the accounts present fairly the financial position and the results of financial operations of the constituent funds and balance account groups of the governmental unit in accordance with generally accepted accounting principles applicable to governmental units and on a basis consistent with that of the preceding year;
- (2) To determine the propriety, legality, and mathematical accuracy of a governmental unit's financial transactions;
- (3) To ascertain whether all financial transactions have been properly recorded; and

(4) To ascertain the stewardship of public officials who handle and are responsible for the financial resources of a governmental unit.

Balance sheet means a statement ordinarily prepared from books kept by double entry showing assets, liabilities, reserves, and surplus of a fund of a governmental unit at a specified date properly classified to exhibit the financial position of the fund or unit at that date.

Budget means a plan of financial operation embodying an estimate of proposed expenditures during a budget period and the proposed means of financing them.

Budget period means the period for which a budget is proposed or a budget ordinance or resolution is adopted. The annual budget refers to a period of one year called a fiscal year.

Budgetary control means the control of management of a governmental unit in accordance with an approved budget and keeping expenditures within the limitations of available appropriations or revenues.

Cash basis means the basis of accounting that recognizes transactions or events when related cash amounts are received or disbursed.

Contingent account means an appropriation to provide for unforeseen expenditures.

Credit rating is a measurement of the town's ability and intent on to fulfill financial obligations.

Current surplus means the excess of the current assets of a fund over its current liabilities and reserves.

Debit and credit are terms commonly used to indicate the manner in which a transaction is to be recorded. Every entry on the left side of the ledger sheet is called a "debit." Every entry on the right side of the ledger sheet is called a "credit."

Debt service means the amount of money necessary to pay the principal and interest on the town's outstanding long-term debt.

Delinquent taxes means taxes remaining unpaid on and after the date on which a penalty for nonpayment is attached. Even though the penalty may be subsequently waived and a portion of the taxes may be abated or canceled, the unpaid balances continue to be delinquent taxes until abated, canceled, or converted into tax liens.

Encumbrances means commitments of appropriations related to unperformed (executory) contracts for goods or services.

Fund means a fiscal and accounting entity with a self balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Internal audit means an audit made by persons on the staff of the governmental unit whose accounts are being audited primarily for the purpose of internal control. Note: An internal audit is usually a continuous audit.

Liabilities means debts owed.

Modified accrual basis means the basis of accounting according to which:

- (1) Revenues are recognized in the accounting period in which they become available and measurable, and
- (2) Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due.

Taxes receivable means the uncollected portion of taxes which a governmental unit has levied.

Trust funds means amounts received or appropriated and held in trust in accordance with an agreement or legislative act which may be expended only in accordance with the terms of such trust or act.

Sec. 2-198. Appropriation transfers from certain funds restricted.

No appropriation transfer shall be made from a sinking fund or debt retirement fund until all the legal obligations and requirements of such fund have been satisfied.

(Ord. No. 992, § 1, 1-21-2010)

Sec. 2-199. Modified and full accrual basis of accounting.

To the extent possible, the modified accrual basis of accounting shall be used by governmental fund types so that revenues are recognized when they become susceptible to accrual; that is when they become "measurable" and "available to finance expenditures of the current period," and so that expenditures are recognized when the related fund liability is incurred. The full accrual basis of accounting shall be used by enterprises (business-type funds) so that the financial effects of transactions, events, and inter-fund activities are recognized when they occur, regardless of the timing of related cash flows.

(Ord. No. 992, § 1, 1-21-2010)

Sec. 2-200. Financial statements and reports.

Financial statements and reports showing the current conditions of budgetary and proprietary accounts shall be prepared and presented to the Mayor and the Board of Commissioners and council at least quarterly. Not later than six months after the close of the fiscal year, a comprehensive annual financial report covering all funds and financial operations shall be prepared and published.

Commented [JR2]: 159/160 Compliance

(Ord. No. 992, § 1, 1-21-2010)

Sec. 2-201. Annual audit.

All the funds, accounts, and financial transactions of the town shall be subjected to an annual audit by an independent certified public accountant who is to be selected by the Mayor and Board of Commissioners. The audit shall be conducted according to the standards set forth in the American Institute of Certified Public Accountant's publication, "Audits of State and Local Governmental Units."

Secs. 2-202 —2-230. Reserved.

DIVISION 2. BUDGET

Sec. 2-231. Budget—Time of adoption annually; submission of proposed budget; balance required.

An annual budget will be adopted by the Board of Commissioners prior to the first day of the fiscal year. However, if for good and sufficient reasons the budget cannot be adopted by the first day of the fiscal year, the budget shall be adopted not later than 45 days subsequent to the beginning of the fiscal year. If the budget is not adopted prior to the beginning of the fiscal year, a resolution authorizing the continuation of necessary and essential expenditures to operate the town in an interim budget shall be adopted prior to the beginning of the fiscal year. The proposed budget shall be prepared by the town manager and transmitted to members of the Board of Commissioners for its review no later than June 1 and a minimum of 30 days before the required date of

adoption. The budget as adopted shall be a balanced budget with anticipated revenues (including appropriated unencumbered surplus) equal to appropriated expenditures. All funds within the budget shall also be balanced.

(Ord. No. 992, § 1, 1-21-2010)

Sec. 2-232. Same—Basis of statement of anticipated revenues.

The town manager shall present the statement of anticipated revenues on the basis of the ordinary and reasonable revenues that can be expected for the fiscal year. Property tax revenue estimates shall be based upon the anticipated tax digest and tax rate, less a stated estimated percentage of non-collected taxes from the preceding fiscal year, plus a stated amount of delinquent taxes, including penalties and interest, to be collected in the fiscal year based on consideration of the actual experience in the collection of delinquent taxes in the preceding fiscal year and less the estimated cost of service for billing and collection.

(Ord. No. 992, § 1, 1-21-2010)

Sec. 2-233. Same—Appropriations prerequisite to expenditure.

No expenditures in any fund shall be legal or proper unless appropriations adequate to meet that expenditure are available in the budget, and they are made in accordance with the provisions of this article.

(Ord. No. 992, § 1, 1-21-2010)

Sec. 2-234. Same—Availability of proposed budget for public inspection.

At the time the proposed budget is transmitted to the Board of Commissioners by the Town Manager, a copy of the proposed budget shall be made available for public inspection in the office of the town clerk during regular office hours.

A statement advising the availability of the proposed budget shall be published in the legal organ during the week it is provided to the council. The statement shall also advise that a public hearing will be held at which time any persons wishing to be heard on the budget may appear. The statement shall be a prominently displayed advertisement or news article and shall not be placed in that section of the newspaper where legal notices appear.

(Ord. No. 992, § 1, 1-21-2010)

Sec. 2-235. Same—Public hearing.

At least 10 days prior to the meeting at which the Board of Commissioners will adopt the budget ordinance, a public hearing shall be held at which time any persons wishing to be heard on the budget may appear. Notice of the hearing shall be placed in the legal organ. The notice shall be a prominently displayed advertisement or news article.

(Ord. No. 992, § 1, 1-21-2010)

Sec. 2-236. Same—Resolution adopting or amending; categorization.

On a date at least 10 days after the conclusion of the public hearing, the Board of Commissioners shall adopt the budget. The adoption of the budget shall be accomplished by the approval of a budget ordinance that specifies the anticipated revenues by appropriate categories and the appropriated expenditures for each department and

each non-departmental expense and for each fund covered by the budget. Amendments to the budget shall be approved by the Board of Commissioners.

At least 10 days prior to the adoption of the budget, a notice of the adoption shall be placed in the legal organ. The notice shall be a prominently displayed advertisement or news article and shall not be placed in that section of the newspaper where legal notices appear.

~~{Ord. No. 992, § 1, 1-21-2010}~~

Sec. 2-237. Same—Amendments.

Any increase in total appropriations in a departmental budget or in a non-departmental expense category, whether accomplished through a change in anticipated revenues or through a transfer of appropriations among departments and non-departmental expenses, shall require the approval of the mayor and council in the form of an amendment to the budget ordinance resolution. The transfer of appropriations among the various accounts within a departmental budget or within a non-departmental expense category shall only require the approval of the financial services director, except that any transfer of appropriations within a departmental budget so as to increase the salary appropriation for the purpose of employing additional personnel shall require the approval of the Board of Commissioners.

~~{Ord. No. 992, § 1, 1-21-2010}~~

Secs. 2-238—2-250. Reserved.

DIVISION 3. FUNDS

Sec. 2-251. Funds—Enumeration.

The following funds may be established and shall be used as necessary to provide for the proper accounting of all financial activities of the town:

- ~~(1) *General fund*, to account for all financial resources except those required to be accounted for in another fund.~~
- ~~(2) *Special revenue funds*, to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.~~
- ~~(3) *Debt service funds*, to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.~~
- ~~(4) *Capital projects funds*, to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by proprietary funds and trust funds).~~
- ~~(5) *Permanent funds*, a fiduciary fund type used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs—that is, for the benefit of the government or its citizenry.~~
- ~~(6) *Enterprise funds*, a proprietary fund type used to report an activity for which a fee is charged to external users for goods or services.~~
- ~~(7) *Internal service funds*, a proprietary fund type that may be used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis.~~

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- (8) *Fiduciary funds*, to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government's own programs. The fiduciary category includes pension (and other employee benefits) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

(Ord. No. 992, § 1, 1-21-2010)

Sec. 2-252. Same—Bank accounts.

Banking relationships established by the town for all loans, regular checking account services, and pension investments and administration must have prior approval by the Board of Commissioners. The Town manager or designee may approve banking relationships for other investments permitted by state law (O.C.G.A. 36-93-4) (NCGS 159-30)

(Ord. No. 992, § 1, 1-21-2010)

Sec. 2-253. Same—Self-balancing group of accounts.

A complete self-balancing group of accounts shall be established and maintained for each fund used. This group of accounts shall include all general ledger accounts and subsidiary records necessary to reflect compliance with legal provisions and to set forth the financial position and the results of the financial operations of the fund.

(Ord. No. 992, § 1, 1-21-2010)

Sec. 2-254. Same—Additional accounts.

Additional accounts, as follows, shall be maintained:

- (1) Fixed assets account for the purpose of accounting for those assets that are of a tangible nature, have a life longer than one fiscal year, and have a significant value (or "have a value of \$5,000.00 or greater"). Fixed assets shall be recorded at the original cost and shall be removed from the account when disposed of. Fixed assets shall be depreciated based on procedures set forth in Governmental Accounting Standards Board (GASB) Statement No. 34. As an exception, all real property shall be recorded irrespective of value or original cost.
- (2) A general long-term debt account for the purpose of accounting for long-term debt which is supported by general revenues and for recording and fairly representing the liability for long-term debt at any time from the date of issuance until the debt is retired.

(Ord. No. 992, § 1, 1-21-2010)

Secs. 2-255 — 2-265. Reserved.

DIVISION 4. PURCHASING POLICIES AND PROCEDURES

Sec. 2-266 PURPOSE AND SCOPE.

(A) Purpose. This purchasing policy was developed in accordance with the requirements of G.S. 143 Article 8, which requires procedures embodying sound principles of appropriately competitive procurement suitable for the

unique needs of the town, which has a decentralized purchasing policy. This purchasing policy will guide town employees and the public in the process and procedures for procuring goods and services required by the town and its various departments. These policies will help ensure the fair and equitable treatment of all persons who desire to do business with the town by selling its goods or services, and will help maximize the purchasing value of public funds and provide safeguards for maintaining a purchasing system of quality and integrity.

(B) Scope. This policy applies to the purchasing of any materials and supplies, equipment, professional and contractual services, or construction contracts.

(Res. 11-003, passed 1-25-11; Am. Ord. 12-028, passed 1-22-13)

Sec. 2-267 DEFINITIONS.

For the purpose of this subchapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

"ADDENDA" or "ADDENDUM." Additional requirements, specifications, or instructions to the original request for bids, requests for proposals, request for quotations, request for qualifications, or other solicitations. All contents of the addendum are incorporated into the original document.

"ARCHITECTURAL, SURVEYING AND ENGINEERING SERVICES." Contracts performed by private consulting firms as agents of the town, including, but not limited to, feasibility studies, planning, design, testing, and construction administration or management services must be selected on a qualification basis with fees determined by direct negotiation.

"BIDDER." Any person or other validly constituted legal entity submitting a bid or responsive proposal in response to a request for a publicly funded project or service seeking the award of a public contract or subcontract with the town.

"BOARD OF COMMISSIONERS." The Board of Commissioners of the Town of Spring Lake is the governing body of the town.

"BUSINESS." Any sole proprietorship, corporation, limited liability company, or other legal entity which is, or will be if awarded a bid, licensed to do business in the jurisdiction where the work will be performed or the service provided.

"COMMODITY." Any tangible good, ware, or article of merchandise that is moveable in trade or commerce.

"CONTRACT." An agreement entered into voluntarily by two or more parties, with the intention of creating mutual legal obligations over a defined period of time, in the case of the town, contracts must be in writing, supported by valuable consideration, signed by an authorized representative of the town, and capable of being performed within the current budget year, unless a longer period of performance is approved by the Town Manager or Board of Commissioners. From the town's perspective, the contract is a legally binding document, which specifies and defines the performance requirements and expectations from a vendor for a purchase or project procured by the town or any of its departments. Time is of the essence in contract performance by all vendors.

"CONTRACTOR." The person, firm, partnership, joint venture, corporation, or other validly constituted legal entity, that has entered into a contract with the town to provide goods or perform a service of any type with the town.

"DISCRIMINATION." An action or series of activities that sets apart or causes separate and unequal treatment of a person or group of persons solely on the basis of his or her race, color, national origin, religion, sex, age, disability, sexual orientation, or any other status in violation of any law prohibiting such conduct. Illegal acts of discrimination by a vendor, its servants, agents, or employees, are prohibited in the performance of projects for

the town, and depending on the seriousness of the conduct, in the town's sole discretion, may be grounds for termination of a contract without penalty to the town.

"FORMAL BID." Procedure whereby competitive written, sealed bids are solicited through customary means in connection with the awarding of contracts for the procurement of certain apparatus, supplies, materials, and equipment, the estimated costs of which exceed a base amount specified elsewhere in this purchasing policy. Formal bids must be advertised in a manner best selected to reach the widest audience of qualified bidders, including via email to a bidder's list, or by public posting. Newspaper advertising may be used if determined by the department head or Town Manager to be a cost-effective method of reaching potential bidders. Bids shall be submitted in a sealed envelope, opened in public at the appointed time, and recorded in the purchasing records of the town department soliciting the bids. Once opened, these bids are public information, except for any parts designated as proprietary information or trade secrets by the bidder. The town, acting through the Town Manager, determines, in its interpretation of applicable law, whether any part of a bid is protected from disclosure as proprietary information or as a trade secret or must be released as public information, but the town accepts no legal duty to keep any bid information private.

"GOOD FAITH." All activities are conducted honestly and ethically and with the observance of reasonable municipal standards of fair dealing.

"PROPOSER." Refers to each firm that submits a proposal for consideration by the town in compliance with the requirements stated in the request for bids, request for qualifications, request for proposals, or request for quotations.

"PURCHASE ORDER (PO)." Created from a purchase requisition, this is a document submitted to a vendor or contractor requesting the purchase of specified goods and/or services for a specified unit price, with a total amount for the order, and when accepted as submitted, constitutes a contract between town and vendor or contractor.

"PURCHASE REQUISITION OR REQUISITION." A request from a town department to obtain specific goods or services, the cost of which has been provided for in the department's budget.

"QUOTE" or "QUOTATION." A quote or quotation is defined as a price that is mailed, faxed, or e-mailed that includes the following: (1) company name, (2) salesperson or representative's name, (3) telephone and fax number; (4) itemized unit prices; (5) delivery date; and (6) total cost including tax, handling, and delivery charges.

"RECURRING COST." Purchases made on a regular or repetitive basis for the maintenance of town services and/or property.

"REQUEST." Generally includes a request for bids, request for proposals, request for quotations, request for qualifications, or other solicitation.

"REQUEST FOR BIDS, REQUEST FOR PROPOSALS, OR REQUESTS FOR QUOTATIONS." Formal procedure for obtaining bids, proposals, or quotations for apparatus, supplies, materials, equipment, and commodities.

"REQUEST FOR QUALIFICATIONS." Formal procedure for requesting written qualifications from licensed providers of professional services, such as architects, engineers, surveyors, attorneys, and certified public accountants for specified services to be rendered to the town over a specified period of time.

"SPECIFICATIONS." The parameters, requirements, and instructions that define the particular item or service that is sought by a department of the town and provides the basis for comparing bids. Specifications are generally incorporated into a contract by reference, to become the successful bidder's legal obligations under the contract.

"STATE PURCHASING." Group purchasing service provided by the state whereby various commodities and services have been bid out by the state and qualified vendors selected who provide these items to the town at low unit prices that reflect the volume discount negotiated by the state for the benefit of all public bodies in the state.

"SUBCONTRACTOR." Any qualified person or legal entity named by a general contractor, and approved by the town to perform work or provide services under the supervision and control of the general contractor for a public contract with the town.

"TERM CONTRACT." A formal agreement between the town and a designated vendor(s) to provide an identified commodity upon request at an established price, and for a specified term.

"TOWN MANAGER." The Town Manager of the Town of Spring Lake.

"VENDOR." See definition of "CONTRACTOR." Individual or other validly constituted legal entity, which sells commodities or services to the town pursuant to a contract with the town, or through state purchasing or other approved group purchasing organization.

(Res. 11-003, passed 1-25-11; Am. Ord. 12-028, passed 1-22-13)

Sec. 2-268 PROCEDURE.

(A) The town operates with a decentralized purchasing system. Each department prepares requisitions and bids for goods and services under the guidelines found herein. The Finance Director supervises, as directed by the Town Manager, the purchasing function for the town.

(B) The objectives of this procedure are being adopted in order to:

- (1) Conduct business with integrity, fairness, and dignity so as to maintain the public trust;
- (2) Secure the right materials, equipment, and services at the right quality and quantity, on a timely basis, as efficiently as possible, and at the best value;
- (3) Conserve public funds by obtaining the best products and services for the dollars spent or allocated to the expense;
- (4) Provide all customers with quality service in a manner that is courteous, responsive, accessible, and seamless;
- (5) Maintain continuity of supply to support ongoing service, operations, and schedules;
- (6) Furnish timely information to management and appropriate departments covering market conditions and trends, and the probable effect on supply and price;
- (7) Assure vendors that impartial and equal treatment is afforded to all who wish to do business with the town;
- (8) Secure competitive prices on purchases;
- (9) Establish specifications that will encourage competition and accurately describe the equipment, materials, and services needed;
- (10) Be receptive to changes in material and requirements along with new products and procedures; and
- (11) Promote the use of local contractors and purchasing, along with the employment of Spring Lake/Cumberland County citizens.

(Res. 11-003, passed 1-25-11; Am. Ord. 12-028, passed 1-22-13)

Commented [JR3]: Insert new dates

Sec. 2-269. ETHICS.

(A) Ethical conduct.

(1) No employee, officer, or agent of the town shall participate in the solicitation, award, or administration of a contract if a conflict of interest would be involved, whether real or merely giving the appearance of a conflict of interest. a "CONFLICT OF INTEREST" would arise when any one of the following has a financial, personal, or other interest in the firm or business selected for a town contract, or receives anything of value from the firm or business as a result of the transaction with the town: an employee, officer, agent, or Board members, including: (1) any member of the person's immediate family, including but not limited to parents, step-parents, children or step-children, or the spouses thereof; (2) the person's partner or spouse; or (3) an organization that employs the person, or is about to employ the person within 180 days, one of the above.

(2) It is unethical and unlawful for any employee or former employee to knowingly use confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.

(3) Every activity covered by this policy imposes an obligation of good faith on the employee or agent of the town in the negotiation, performance, and enforcement of the duties of the person in a covered transaction.

(B) Equal opportunity. The policies of the town prohibit discrimination against any person or business who, in pursuit of business opportunities with the town, is discriminated against on the basis of race, color, national origin, religion, sex, age, disability, sexual orientation, or any other status protected by law and it is the policy of the town to conduct its contracting and procurement programs so as to prevent such unlawful discrimination.

(C) Fair and open competition.

(1) The town promotes the precept of a fair and open competitive solicitation process, wherever feasible. Restrictive or proprietary specifications are to be avoided, unless justified by the department head and only applied where reasonably necessary to meet technical demands for operational compatibility with existing town equipment and/or operations, or which offer the town the opportunity to obtain unique, cost-effective performance applications.

(2) The town may contract with persons other than town personnel for the preparation of specifications. However, no person or entity preparing specifications shall receive any direct or indirect benefit from the utilization of such specifications. In other words, a person or entity preparing specifications on behalf of the town for traditional, publicly bid projects may not negotiate for the design of the projects but may bid, or negotiate for the construction management of the project, as appropriate. However, in projects using the design-build or similar alternative project delivery methods as provided in § 39-16 herein, where the preparation of the specifications is an integral part of the process, the participation by a person helping prepare specifications is not prohibited.

(Res. 11-003, passed 1-25-11; Am. Ord. 12-028, passed 1-22-13)

Commented [JR4]: Insert New Date

Sec.2-270 POLICY STATEMENTS.

(A) Procurement involving state or federal funds.

(1) All goods and services obtained through the use of state or federal funds shall be in compliance with applicable state and federal laws and regulations and shall be in compliance with the mandatory requirements of the applicable agency.

(2) Whenever town policy is more restrictive than the applicable state or federal laws or regulations, the provisions of the town policy shall be followed.

(B) Procurement information shall be public record to the extent required by the Public Records Law G.S. 132.

(C) Cooperative purchasing.

(1) The Town Manager or his or her designee(s) may authorize the town and its departments to participate in a cooperative purchasing agreement for the purchase of goods and services with one or more governmental

entities, by entering into an intergovernmental agreement with the other governmental entities. The purchasing laws, ordinances, and policies of each entity will be considered in the intergovernmental agreement. Participation in state purchasing, as set forth above, does not require such an agreement.

(2) Whenever the town enters into an intergovernmental agreement for a joint project with the federal, state, or another governmental entity, including, but not limited to, a county, regional council of governments, special purpose district, special tax district, state authority, joint district, or public university, then the purchasing practices of the other public entity may be used in lieu of the town's own procedures if the use is determined to be to the advantage of the town.

(D) Certificate of insurance.

(1) Contractors, vendors, and professional service providers contracted by the town, prior to commencing any work under a contract with the town, shall be required to provide a duly executed certificate of insurance certifying to the town that the contractor, vendor, or professional service provider has in effect workers compensation coverage valid in South Carolina and covering the workers who will be performing the work for the town. Certificates of general liability coverage and motor vehicle coverage may be required, as well as errors and omissions insurance or professional liability insurance, as required by the town. Certificates containing wording that would release the insurance company from liability in the event of non-notification of the town of any cancellation of the insurance policy shall not be acceptable. Policies shall be endorsed to include a waiver of subrogation against the town, its officers, officials, agents, and employees. Separate endorsements shall be required, naming the town as additional insured, for liability insurance and providing a waiver of subrogation for worker's compensation insurance.

(2) At any time, if any insurance policy, performance, or payment bond required by the town is canceled before the completion of the contract, then all work shall cease until an insurance policy or bond acceptable to the town is once again provided, including gap coverage. The Town Manager or his or her designee(s) may waive the certificate of insurance for professional services, but only when the lack of proof of the coverage will likely have no significant impact upon the town.

(3) Insurance coverage limits and requirements on contractual items shall be as set in the bid specifications, the invitation for bid, or the request for proposals.

(E) Business licenses. Any company, person, contractor, or vendor operating within and conducting business with, or on behalf of the town shall obtain a business license from the town.

(F) Women and minority business enterprises.

(1) It is town policy to provide minorities and women equal opportunity for participating in all aspects of the town's contracting and procurement programs, including, but not limited to, employment, construction projects, and lease agreements consistent with the laws of the State of North Carolina.

(2) It is further town policy to conduct its contracting and procurement programs so as to prevent discrimination and to resolve any and all claims of discrimination.

(G) Local purchasing preference.

(1) It is town policy to promote the use of local businesses when possible. Local contractors and vendors with a valid business license from the town (for a period of at least one year from the date that bids are solicited) will have a 10% advantage unless otherwise authorized by the Town Manager or his or her designee(s).

(2) Selected contractors must make every reasonable effort to purchase/lease all material, equipment, and supplies associated with the awarded bid to a local business with a valid business license issued by the town.

(H) Levels of authority.

(1) Any purchase of supplies, materials, equipment, or services not exceeding \$500.00 may be made with the approval of the department head.

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- (2) Items over \$500 but less than \$1,000 shall only be purchased through a purchase order. A purchase requisition for a purchase order must be filled out and submitted to the department head, with all applicable quotes and/or bids attached. Upon the department head's approval, the requisition must be submitted to the Finance Director.
 - (3) No contract, agreement, or purchase order shall be valid unless it bears the finance officer's certificate as follows: "This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act."
 - (4) An informal competitive bid process is required for contracts/purchases exceeding \$1,000 but less than \$30,000-two or more informal comparative quotes must be provided with the requisition. Requisitions for budgeted items not exceeding \$30,000 may be approved by the Town Manager.
 - (5) An informal competitive bid process is required for contracts/purchases exceeding \$30,000 but less than \$90,000-two or more informal comparative quotes must be provided with the requisition. Requisitions for budgeted items not exceeding \$90,000 shall be approved by the Board of Commissioners via the Town Manager.
 - (6) Purchases of \$90,000 or more for architectural, engineering, surveying, or construction at-risk services are required to follow formal Request for Qualification or Request for Proposals as outlined in G.S. 143-129. The Finance Director shall administer the formal process and shall route the approval through the Town Manager for final approval by the Board of Commissioners.

(l) Source selection; exemptions.

(1) Certain items are exempt from certain purchasing requirements, including any formal bid, bid request, request for proposal, requests for quotation, or request for qualification procedures, and the town may exempt specific supplies or services from the purchasing procedures to the extent any such supplies or services qualify as described herein below:

(a) Advertising, including but not limited to advertising time or space in newspapers, on radio, or on television.

(b) Policy, legal, and utility services to include but not be limited to architects, attorneys, bond rating services, retirement consultants, insurance consultants, financial consultants, land surveying, advisors, engineers, and other professional services where the person employed is customarily employed on a qualification or fee basis rather than by competitive bidding.

(c) Staff development to include but not be limited to:

1. Training provided by consultants, certified teachers/trainers;
2. Training materials;
3. Workshops, conferences, seminar registrations, etc.; and
4. Travel.

(d) Utilities and energy expenses to include but not be limited to: fuel, gas, electricity, telephone, telecommunications (phones, internet, etc.), and water/sewer.

(e) Financial advisors and fiduciary services.

(f) Emergency repairs.

(g) Mail and delivery services.

(h) Negotiations after unsuccessful competitive sealed bidding.

(j) Contracts that relate to regularly purchased supplies, equipment, chemicals, or services to be used in or for the direct benefit of the town's utilities, as they now exist or may exist in the future.

(j) Leasing of real property for governmental use;

(k) Purchasing through state purchasing;

(l) Membership fees;

(m) Purchase or sale of property used for the purpose of economic development.

(2) At the discretion of the Town Manager or his or her designee, a decision may be made to require competitive sealed bids or other solicitation methods, notwithstanding the above policy.

(3) A sole source purchase may be made without competitive bidding when the finance Director or employee affirms, in writing, that there is only one source for the required supplies, materials, equipment, or services. Written documentation must include the determination and basis for the proposed sole source purchase. In cases of reasonable doubt that there is only one such source, competitive bidding must be solicited. Any decision by the purchaser that a purchase be restricted to one vendor must be accompanied by an explanation as to why no other vendor is suitable or acceptable to meet the needs of the town.

(4) Emergency purchases may be authorized by the Town Manager or his designee(s) when there exists an immediate threat to public health, welfare, critical economy and efficiency, or safety under emergency conditions, without following this purchasing policy. A written determination of the basis for the emergency and for the selection of the particular contractor or vendor shall be forwarded to the Town Manager within five business days for review and retention.

(j) Bid procedures.

(1) The provisions of the purchasing policy govern the competitive bid process and may be implemented through a request for bids, request for proposals, request for quotations, request for qualifications, or other solicitation procedures for formal bids.

(2) Public notice of the invitation for bid shall be given not less than 15 calendar days prior to the bid opening date. Larger non-recurring purchases or projects may require additional notice before bid opening. Such notice shall be given, at a minimum, through the town's website and/or the local newspaper and to persons and firms who have asked to be placed on a bidder's list for a particular commodity or service. Email or fax notifications to interested potential bidders should be used to the extent possible to minimize the notification costs to the town.

(3) The invitation for bid documents shall include specifications and all other contractual terms and conditions applicable to the purchase. The invitation for bid shall set forth the evaluation criteria to be used. Each department/division shall maintain a bidder's list for those interested in submitting bids, or who have submitted bids in the recent past, and a vendor's list for all purchases awarded.

(4) All bids received shall be kept in a secure location and shall remain unopened until the announced time of bid opening. Bids shall be opened publicly in the presence of one or more witnesses, at the time and place designated in the invitation for bids. The amount of each bid, the name of each bidder, and other relevant information shall be announced and recorded by the department head or his or her designee. The record and bid tabulation shall be open for public inspection after the bids are opened and maintained as a public record of the department in accordance with record retention policies.

(5) Contracts shall be awarded to the lowest responsible bidder. The following items shall be considered when evaluating the responsibility of the lowest responsible bidders:

(a) The ability, capacity, and skill of the bidder to perform the contract or provide the service required in compliance with specifications;

(b) The ability of the bidder to perform the contract promptly or within a specified time without delay or interference;

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- (c) The character, integrity, reputation, judgment, experience, and efficiency of the bidder;
 - (d) The quality of performance of previous contracts with or services provided to the town;
 - (e) The previous and existing compliance by the bidder with laws and ordinances relating to contracts or services;
 - (f) The sufficiency of the financial resources of the bidder, which may impact the ability of the bidder to perform the contract, provide the services, or to meet any bonding or insurance requirements;
 - (g) The quality, availability, and adaptability of the supplies or contractual services to the particular use required or specified;
 - (h) The capability of the bidder to provide future maintenance and service at a reasonable cost for the useful life of the subject of the contract;
 - (i) The number and scope of conditions attached to the formal bid which would vary the bid from strict compliance with the bid specifications or which would attempt to add non-conforming conditions, limitations, or other provisions detrimental to the contract, as determined in the sole discretion of the town. The assertion of the conditions will likely render the formal bid nonconforming and unacceptable to the town, regardless of the bid amount;
 - (j) Whether the bidder has failed to fully perform prior contracts to the town's satisfaction, or is past due, delinquent, or owes the town money for any reason, and
 - (k) The costs/price of the bidder's services or goods.

(6) Bid payment and performance bonds or other securities may be requested for supply contracts or service contracts as the Town Manager, or his or her designee(s), deems advisable to protect the town's interest. Any such bonding requirements shall be set forth in the request.

(7) For bid security, an amount equal to at least 5% of the amount of the bid shall be required for all competitive bidding for construction contracts. Bid security shall be a legitimate bid bond provided by a surety company authorized to do business in South Carolina, or the equivalent in cash, certified check, cashier's check, or money order. If a bid is initially awarded to a bidder, who subsequently fails to honor its bid for any reason, including, but not limited to, failure to timely provide required bonds or certificates of insurance coverage, or failure to proceed after receiving a notice to proceed, the bidder shall forfeit its bid bond as liquidated damages to the town and award of the bid is rescinded; thereafter, the contract for the project may be awarded to the next lowest bidder, or the project may be rebid, at the town's sole discretion. Bidders who default in honoring a bid, or who fail to successfully complete a project in accordance with project specifications, may be prohibited from entering further bids on town projects until the bidder establishes its responsibility as a bidder to the satisfaction of the town, at its sole discretion.

(8) When a construction contract is awarded in excess of \$50,000, the following bonds or security shall be delivered by the successful bidder to the town and shall become binding on the parties upon the execution of the contract. Bid or performance bonds shall not be used in place of the determination of the bidder's responsibility.

- (a) A performance bond shall be in an amount equal to 100% of the contract amount; and
- (b) A payment bond for the protection of all persons supplying labor and material to the contract or its subcontractors for the performance of the work shall be in an amount equal to 100% of the contract amount.

(9) Correction or withdrawal of inadvertently erroneous bids before bid opening may be authorized in the absence of the appearance of collusion among bidders, and in unusual cases, withdrawal of inadvertently erroneous bids after award or cancellation of awards of contracts based on the bid mistakes may be permitted upon approval by the Town Manager subject to the provisions relating to the forfeiture of bid bonds. It is the policy of the town that each bidder must bear the responsibility for the accuracy of its bid.

(10) Requests or other solicitations through the competitive bid process may be canceled when it is in the best interest of the town. This action should be supported with internal documentation sufficient to satisfy external audit and shall be made a part of the project file.

~~(Res. 11-003, passed 1-25-11; Am. Ord. 17-028, passed 1-27-13; Am. Ord. 2023-015, passed 6-13-23)~~

Sec. 2-271. Disposing of personal property valued at less than \$500.00.

- (a) The town manager is authorized, pursuant to G.S. 160A-266(c), to dispose of any surplus property owned by the town, whenever he determines, in his discretion, that:
- (1) The item or group of items has a fair market value of less than \$500.00;
 - (2) The property is no longer necessary for the conduct of public business; and
 - (3) Sound property management principles and financial considerations indicate that the interests of the town would best be served by disposing of the property.
- (b) The town manager may dispose of any such surplus personal property by any means that he judges reasonably calculated to yield the highest attainable sale price in money, opportunity cost, or other consideration, including, but not limited to, the methods of sale provided in G.S. 160A, art. 12. Such sale may be public or private, and with or without notice and minimum waiting period.
- (c) The surplus property shall be sold to the party who tenders the highest offer, or exchanged for any property or services to the town if greater value may be obtained in that manner, and the town manager is authorized to execute and deliver any applicable title documents. If no offers are received within a reasonable time, the town manager may retain the property, obtain any reasonable available salvage value, or cause it to be disposed of as waste material. No surplus property may be donated to any individual or organization except by resolution of the board.
- (d) The town manager shall, on or before February 1, report in writing to the board on any property disposed of under these provisions from July 1 through December 31 of the previous year, and shall, on or before August 1, report in writing to the board on any property disposed of under these provisions from January 1 through June 30 of that year. The written report shall generally describe the property sold or exchanged, to whom it was sold, or with whom exchanged, and the amount of money or other consideration received for each sale or exchange since the last such report was submitted.

(Code 1978, § 2.42(b); Code 1995, § 36.11; Ord. of 1-22-1996)

Secs. 2-272—2-285. Reserved.

PART II - CODE OF ORDINANCES
Chapter 2 - ADMINISTRATION
ARTICLE IV. - FINANCE AND REVENUE; TAXATION
DIVISION 2. TAXATION

DIVISION 5. TAXATION

Sec. 2-286. Method of collecting taxes.

All taxes of the town shall be levied, assessed, and collected in the same manner and under the same regulations and subject to the same penalties as are provided by law or shall hereafter be provided by law for levying, assessing, and collecting state and county taxes in this state, unless otherwise specifically designated.

(Code 1978, § 2.27; Code 1995, § 36.20; Ord. of 3-1-1971)

Sec. 2-287. Rental vehicle tax.

(a) *Definitions.* The following words, terms, and phrases, when used in this division, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Customer means any person who leases or rents a vehicle on a short-term lease or rental basis.

Gross receipts means the amount that is or would be reported as gross receipts on a business's state income tax return, or on the federal income tax return filed with the state income tax return if the state return does not separately state gross receipts for the most recently completed tax year. Taxes collected hereunder are not subject to the tax herein imposed and are not included in gross receipts.

Lease or rental means a transfer, for consideration, of the use but not the ownership of a vehicle to another for a period of time.

Long-term lease or rental means a lease or rental made under a written agreement to lease or rent property to the same person for a period of at least 365 continuous days.

Short-term lease or rental means any lease or rental of a vehicle that is not a long-term lease or rental.

Tax collector means that individual appointed by the governing body pursuant to G.S. 105-349, to collect taxes on behalf of the town and any other person authorized to carry out the duties and functions of such individual.

Taxpayer means any person liable for the taxes imposed by this division.

Vehicle means any of the following:

- (1) A motor vehicle of the private passenger type, including a passenger van, minivan, or sport utility vehicle.
 - (2) A motor vehicle of the cargo type, including a cargo van, pickup truck, or truck with a gross vehicle weight of 26,000 pounds or less used predominately in the transportation of property for other than commercial freight, and that does not require the operator to possess a commercial driver's license.
 - (3) A trailer or semitrailer with a gross vehicle weight of 6,000 pounds or less.
- (b) *Levy of tax.* A tax is hereby imposed and levied in an amount equal to 1½ percent of the gross receipts derived from the short-term lease or rental of vehicles at retail to the general public. This tax on gross receipts is in addition to the privilege taxes authorized by G.S. 160A-211.
- (c) *Collection of the tax.* Every person engaged in the business of the short-term lease or rental of vehicles at retail to the general public shall collect at the time of the lease or rental the tax herein levied, place the tax so collected in a segregated account, and thereafter remit such tax to the tax collector in accordance with

the provision in each retail short-term lease or rental agreement stating that the percentage amount enacted by this division of the total lease or rental price, excluding sales tax, is being charged as a tax on gross receipts. The amount of the tax shall be stated separately from the lease or rental and shown separately on the taxpayer's records. The tax shall be paid by the customer to the taxpayer as trustee for and on account of the town. The taxpayer shall be liable for the collection thereof and for its payment to the tax collector, and the taxpayer's failure to charge or to collect said tax from the customer shall not affect such liability.

- (d) *Report and payment of tax.* Taxes levied under this division are due and payable when a return is required to be filed. Every taxpayer shall, within the time specified, submit a return to the tax collector on the form prescribed by the tax collector. A return must be signed by the taxpayer or the taxpayer's agent. Returns of taxpayers are due to the tax collector each month on or before the 15th day of the month following the month in which the tax accrues. As provided in G.S. 160A-208.1, a return shall not be considered a public record, and information contained in a return may be disclosed only in accordance therewith.
- (e) *Taxpayer to keep records.* The taxpayer shall keep and preserve suitable records of the gross receipts received by such taxpayer in the conduct of business and such other books or accounts as may be necessary to determine the amount of the tax for which such taxpayer is liable under the provisions of this division. It shall be the duty of the taxpayer to keep and preserve for a period of three years all such records of gross receipts and other books and accounts described. All records, books, and accounts herein described shall be open for examination at all reasonable hours during the day by the tax collector or his duly authorized agent.
- (f) *Tax collector to provide forms.* The tax collector shall design, prepare, print, and make available to all taxpayers operating within the municipal boundaries of the town forms and instructions for filing returns to ensure a full collection of and accounting for taxes due. The failure of any taxpayer to obtain or receive forms shall not relieve such taxpayer from the payment of the tax at the time and in the manner provided.
- (g) *Situs.* The transaction giving rise to the tax herein levied shall be deemed to have occurred at the location of the entity from which the customer takes delivery of the vehicle.
- (h) *Penalties and remedies.* The provisions with respect to remedies and penalties applicable to subchapter VIII (Local Government Sales and Use Tax) of chapter 105 of the General Statutes, as contained in article 5 and article 9, subchapter 1, chapter 105 thereof, shall be applicable in like manner to the tax authorized to be levied and collected under this ordinance, to the extent that the same are not inconsistent with the provisions hereof. The board of aldermen of the town may exercise any power the secretary of revenue may exercise in collecting sales and use taxes.
- (i) *Administration.* In addition to the provisions herein, the levy and collection of the taxes herein imposed shall be otherwise administered in the same manner as the sales and use tax as provided in article 5, subchapter 1, chapter 105 of the General Statutes.

(Code 1995, § 36.30; Ord. of 8-28-2000, §§ 1—9)

Secs. 2-288—2-295. Reserved.

Sec. 2-222. Violations.

- (a) This section is adopted pursuant to the provisions of G.S. 160A-175.
- (b) This division may be enforced by any appropriate equitable action, including, but not limited to, injunction and abatement, in addition to any other remedy contained herein.
- (c) The owner, lessee, tenant, or occupant of any building or land or part thereof and any architect, builder, contractor, agent, or any other person who participates in, assists, directs, creates, or maintains any situation

Commented [JR5]: This section needs to be located "somewhere else" in the municipal code.

that is contrary to the provisions of this division may be held responsible for the violation and suffer the penalties and be subject to the remedies provided herein.

- (d) Each day that any violation continues after notification by the enforcing inspector that such violation exists shall be considered a separate offense for the purposes of penalties and remedies as specified in this section. A person who violates any of the provisions of this division shall be subject to a civil penalty, following notification, in the sum of \$50.00 on the first day and \$100.00 for every day thereafter until the violation is remedied. The town, in a civil action, shall recover the penalty if the offender fails to pay the penalty to the Finance Director, Town of Spring Lake, 300 Ruth Street, Spring Lake, NC 28390-0617, within ten calendar days after being cited for the violation. The civil action of recovery shall be in the nature of an action to recover a debt and shall include as an additional sum to be recovered the full costs of the action, including, but not limited to, filing, service, and attorney fees.
 - (e) A violation of this division may not be appealed to the board of adjustment if the offender did not perfect an appeal to the said board of adjustment within the ten-day time period set forth herein.
 - (f) In the event of a zoning violation, when the enforcing inspector finds that any provision of this division is being violated, the enforcing inspector shall cause to be served upon the offender or its agent, by certified mail, return receipt requested, or by personal service, a notice of civil citation. The notice of civil citation shall indicate the nature of the violation and order the action necessary to correct it. When the penalty issued is the result of a zoning violation, the citation shall also state the monetary penalty and the right of the offender to appeal the violation that is the basis of the citation to the board of adjustment within the time period set out for payment of the citation.
 - (g) In the event the offender files notice of appeal to the board of adjustment within ten days from the date of service of the citation, the appeal shall stay the collection of the penalty so imposed as well as the corrective action prescribed in the citation. Appeals to the board of adjustment shall be administered as provided in section 42.368 but for the time for perfecting the appeal, which shall be the ten days as hereinbefore stated.
 - (h) Notwithstanding the foregoing, in cases where delay would seriously threaten the effective enforcement of this division or pose a danger to the public health, safety, or welfare, the enforcing inspector may seek enforcement of this division without prior written notice by invoking any of the penalties or remedies herein authorized.
 - (i) Nothing in this section shall preclude the enforcement of this division pursuant to the provisions of G.S. 14-4 where appropriate.
- (Ord. of 11-24-1993, Ord. of 10-8-2001, § 36.30)

Commented [JR6]: These fines need to be updated consistent with current state law. What is maximum penalty for each day of a continuing offense?

Secs. 2-223—2-252. Reserved.

Town of Spring Lake	ADMINISTRATIVE & FINANCIAL POLICIES		SUBJECT: FINANCIAL POLICY
	Number 43	Revisions	Board Approval Date
North Carolina		Effective Date	Page 1 of 13

43.0 OBJECTIVES

The Town of Spring Lake has enacted the following policies as a basis for the Town's routine financial practices associated with the preparation, adoption, and execution of the Town's operating and capital budgets. Their primary objective is to provide a standard of budgetary performance that both staff and Board of Commissioners have endorsed and to provide budgetary decision-making with greater continuity, reinforcing the Town's core financial values and preserving them for successive staff and Board of Commissioners.

Regular, updated budget policies can be an important tool to ensure that Town resources are used to meet its commitments, provide needed services to the citizens of Spring Lake, and maintain sound financial management practices. These policies are therefore guidelines for general use and allow for exceptions in extraordinary conditions.

These policies have been approved by the Town Manager and have been adopted by the Town Board of Commissioners. The Budget Policies of the Town will be reviewed annually and can be adjusted at any time by action of the Town Board of Commissioners.

- A. To align the Town of Spring Lake's ("The Town's") long-term financial planning with short-term daily operations.
- B. To maintain the Town's stable financial position
- C. To ensure the Board of Commissioners adopted policies are implemented in an efficient, effective, and cost-conscious manner while continuing to ensure compliance with contractual and statutory requirements.
- D. To protect the Town from an emergency fiscal crisis by ensuring the continuance of service even in the event of unforeseen occurrence.

43.1 OPERATING BUDGET

It is the Town's policy that the operating budget be prepared in accordance with Generally Accepted Accounting Principles in the absence of a fiscal crisis. The Town's top program priority is the maintenance of existing service levels in all divisions and departments. To reflect this, the budget process should include the calculation of baseline funding levels for all departments, reflecting current staffing, and inflationary increases in supplies and service

budgets. This baseline should serve as an agreed-upon point of departure for subsequent budget discussions, such as the impact of adding additional personnel or a new facility or service. Any additional services above the baseline level shall be fully funded at the time of the adoption of the annual budget, and the ongoing funding source(s) for these additional services, for the current and all subsequent years, shall be clearly identified. Such ongoing funding sources must be in the form of either new or increased revenues or clearly identified expense reductions.

~~and according to the standards necessary to achieve the GFOA Distinguished Budget Presentation Award. To receive the award, the Town must publish a comprehensive and professionally prepared budget report that serves as a policy document, an operations guide, a financial plan, and a communications tool.~~

- A. The budget and fiscal control of the financial operations of the Town of Spring Lake shall in all respects be conducted within the requirements of North Carolina General Statute Chapter 159 and such other State Statutes as is applicable to the operation and control of the municipal government. The Town shall adopt and operate under an annual balanced budget for the General Fund, the Capital Projects Funds, each Special Revenue Fund, and each Debt Service Fund in use by the Town. The budget is balanced when the sum of the estimated revenues and appropriated fund balances is equal to appropriations. Appropriations of fund balances shall only be made in compliance with the "Reserves" section of this policy. There are additional requirements for budgetary balance that apply to the Bond Covenants to maintain a minimum bond debt service coverage ratio of at least 1.20, on an annual basis. This means that the annual revenue available for debt service, after payment of all other annual operating expenses, must exceed the amount of the annual debt service by at least twenty percent (20%). This standard shall remain in place as a management policy, regardless of the original bond covenant requirements, unless future bond covenants require a more restrictive coverage ratio.

- B. The Town Manager shall serve as the Budget Officer for the Town.
 1. The Finance Director shall be responsible for coordinating and preparing the annual budget documents for the Town Manager. The Town Manager will present the budget to the Board of Commissioners no later than June 1. The annual balanced budget shall be adopted by ordinance of the Town Board of Commissioners prior to the start of each fiscal year.

 2. The Finance Director shall maintain an accounting system sufficient to:
 - a. Account for all revenues, as received source and deposit, said revenues in duly approved depositories.
 - b. Account for and pre-audit all disbursements made as authorized by duly approved appropriations of the existing budget, including what was procured and to whom disbursement was made.
 - c. Invest idle funds only in approved investments as authorized by G.S. 159-30.
 - d. Make monthly, semi-annual, and annual reports as may be required by the Town Board of Commissioners, Local Government Commission, and/or other State governmental agencies.

- e. Prepare for an annual audit by an approved certified public accountant of the Local Government Commission.

43.2 REVENUES

The Town seeks to implement a diversified taxing policy that will ensure reasonable stability for operation at continuous service levels, but that will provide elasticity necessary for responding quickly to increased service demands due to new development. Revenue management includes within its focus, an ongoing process for reviewing and analyzing each revenue source to ensure that proceeds from each source are at an optimum level. Every attempt will be made to project revenues within 5% of the final actual results, and the projections will be based on historical trends, growth patterns, and the economy. To meet these objectives the Town observes the following guidelines:

A. Ad Valorem Tax (Real Property)

As provided by the North Carolina Local Budget and Fiscal Control Act, estimated revenue from the Ad Valorem Tax levy will be budgeted as follows:

1. Assessed valuation will be estimated based on historical trends, growth patterns, and anticipated construction.
2. The estimated percentage of collection will not exceed the percentage of the levy actually realized in cash as of June 30 during the preceding fiscal year, in accordance with state law.
3. The tax rate will be set each year based on the cost of providing general governmental services and paying debt service. Consideration will be given to future net revenue requirements for capital improvement project operational expenditure impacts and programmed debt service.

B. User Fees

The Town sets fees that will maximize user charges in lieu of Ad Valorem Taxes for services that can be individually identified and where the costs are directly related to the level of service. This objective is in keeping with the Town's goal that growth should pay for itself, and not place a burden on current residents who do not use the service. Emphasis of user charges over Ad Valorem Taxes results in the following benefits:

1. User charges impact all users, including those exempt from property taxes.
2. User charges avoid subsidization in instances where the service is not being provided to the general public.
3. User charges are a means of rationing the provision of certain services.
4. User charges for certain services can be justified on the basis of equity and efficiency, by producing information on the demand level for services and by helping to make the connection between the amount paid and the service received.
5. Each department shall be responsible for conducting a survey of all fees and charges pertaining to their operations on a regular basis, but no less than every two years. All proposed fee changes must be approved by the Board of Commissioners before being implemented.

C. Grant Funding may be used for a variety of purposes including:

1. Current Town operations,

2. Departmental long-range plan,
3. Capital projects identified in the Capital Improvement Budget/Plan,
4. Regulatory requirements,
5. Opportunities to address the mission and goals of the Town.

Staff will pursue opportunities for grant funding. The application may be made after a grant is evaluated for consistency with the Board of Commissioners goals and compatibility with Town programs and objectives. All grants pursued by ~~the staff of the~~ Town of Spring Lake will be presented to the Board for consideration before an application is made. Any deviation from this policy must be granted by the Town Manager and the Finance Director. Awarded funds will be accepted only after the Board of Commissioners reviews and approves the receipt of the grant funds. ~~make an action.~~

D. Utility rates

Utility rates will be reviewed annually considering inflationary costs indexes, net revenue requirements, realistic sales forecasts, contractual obligations including bond covenants, and utility conservation goals. Revenue requirements may include funds programmed for rate stabilization, utility capital projects, and reimbursement of indirect costs to the General Fund. Rates will be structured to meet conservation program goals with consideration for customer acceptance and reasonable efficiency in utility billing and collection administration.

E. Other Revenue

All other revenue will be programmed through the annual budget process to meet the Board of Commissioners goals and objectives in the Town's Rate and Fee Schedule. One-time revenues shall generally not be used for ongoing operating expenses, such as additional personnel or new contracts for goods or services that will remain in effect after the one-time revenue source has been exhausted. Examples of allowable uses of one-time revenues are purchases of capital assets, start-up costs, early debt retirement, and deposits to the operating reserve fund. Use of one-time revenues for other purposes may be considered on a case-by-case basis.

43.3 EXPENDITURES

A. Budget Management:

Expenditure budgets are reviewed by staff, the Town Manager, and the Board of Commissioners prior to adoption and are continually monitored throughout the budget year. Budgeted funds will only be spent for categorical purposes for which they were intended. The annual operating budget ordinance defines staff authorization for operating budget adjustments. No appropriations of the proceeds of a debt instrument will be made except for the purpose for which such debt instrument was issued. Donations will be spent only toward the intent for which they were given.

B. Fiscal Management:

Current operating expenditures will not exceed current operating revenues:

1. Continuing Contracts:

For continuing contracts, funds will be appropriated in the annual budget ordinance to meet current-year obligations arising under the contract, in accordance with G.S. 160A-17.

2. Non-Profit Funding:

1. The Town will review the financial position of nonprofit corporations or organizations receiving funding to determine the entity's ability to carry out the intended purpose for which Town funding was granted.

2. Funding for community projects, programs, and services may be provided to public agencies and to non-profit community organizations, for one-time community, social, environmental, cultural, or recreational needs that serve a lawful public purpose. Funding requests must be submitted in writing to the Town Manager funding by April 15 of the fiscal year.

3. Funding levels for community projects, programs, and services shall not exceed 1 cent of revenue from the ad valorem tax.

4. For organizations receiving \$1,000 or more in any fiscal year, the Town may require the nonprofit to have an audit performed for the fiscal year in which the funds are received and to file a copy of the audit with the Town.

3. Reserves/Fund Balance shall maintain the following fund balances (reserves) in all governmental-type funds.

a. Non-spendable – to establish balances that cannot be spent because they are in a non-spendable form (i.e. inventories, prepaid amounts, long-term loans, notes receivables, or property held for resale).

b. Restricted – to establish balances constrained for a specific purpose through restrictions of external parties (i.e. creditors, grantors, contributors, or laws or regulations of other governments) or by constitutional provision or enabling legislation. These balances may include monies from loans, grants, and donors, particularly in those governmental fund types normally other than the Town's General Fund.

c. Committed – to establish balances constrained for specific purposes imposed by formal action (ordinance or resolution) of the Town Board of Commissioners and shall include all funds not designated as non-spendable, restricted, assigned, or unassigned. These funds will be for the specific purpose of establishing a revenue stabilization fund to provide resources to cover anticipated and unanticipated revenue shortfalls in subsequent years. If available, committed reserves shall also be used to replenish the unassigned reserves to the minimum 31% level should they fall below that level.

d. Assigned – to establish balances to be set aside by Town management to fund a projected budgetary deficit in a subsequent year's budget as adopted by the Town Board of Commissioners.

e. Unassigned – remaining amount that has not been classed as non-spendable, restricted, committed, or assigned that shall remain equal to or greater than thirty-one percent (31%) of the "Total Uses of Funds"

amount appropriated in the General Fund budget. These unassigned funds are intended for the following purposes:

1. Cash Flow – to maintain sufficient cash on hand to satisfy the cash flow needs of the Town, especially between the start of the fiscal year and such time that property tax revenues are received.
2. Operating Contingencies – to provide resources to pay for expenses that were not originally appropriated in the annual operating budget.
3. Insurance – to provide funding for unanticipated costs associated with the repair and/or replacement of Town property that is unexpectedly damaged or destroyed, and for other liabilities for claims against the Town in excess of the amount recovered through claims filed against individuals or with the Town’s insurance carriers, or other reimbursements such as State and/or Federal disaster assistance.
4. Grants – to provide funding to cover costs associated with grant projects when funds must be expended prior to submitting for grant reimbursement (i.e. SAFER, COPS, DOT, etc.)
5. Loans – to provide funding to cover costs associated with purchases and construction of fixed assets that will be financed upon completion through a reimbursement resolution process.

Unassigned reserve fund balance shall be reviewed annually and any significant amounts over the 31% minimum shall be reclassified as committed, unless the Board of Commissioners agrees upon an alternate use. Similarly, any available committed reserves shall be used to replenish the unassigned fund balance should it fall below the 31% minimum.

C. Interfund Transfers

1. The Town may transfer cash from enterprise funds to general government funds only after operating expenses, capital outlay and debt service obligations of the enterprise have been met.
2. Inter-fund transfers are allowed for the allocation of direct or indirect costs of services rendered by one fund to another.
3. The Town shall ~~strive to~~ ensure that the enterprise funds are financially self-sufficient.

43.4 CAPITAL IMPROVEMENT

A. Capital Improvement Plan

1. The Town will update and readopt annually an eleven-year capital improvement plan (“CIP”), including the upcoming annual capital improvement budget (“CIB”) and a ten-year projection of capital needs and expenditures which details the estimated cost, description, and anticipated funding sources for capital projects. The plan will include costs that have been estimated including consideration for inflation. The inflation rate will be determined annually in the budget process and will be disclosed in the capital budget report.
2. The first year of the eleven-year CIP will be the basis of formal fiscal year appropriations during the annual budget process. If new project needs arise during the year, a budget amendment identifying both the funding sources and project appropriations will be utilized to provide formal budgetary authority for the subject projects. The Capital Improvement Budget and Plan will generally address those capital assets with a value of more than \$25,000 and a useful life of over three (3) years.
3. The Town will emphasize preventive maintenance as a cost-effective approach to infrastructure maintenance. Exhausted capital goods will be replaced as necessary.
4. Restricted revenue sources will be utilized whenever possible before unrestricted sources.
5. Capital projects. The Town shall adopt and operate under a project-length balanced budget for each capital project fund in use by the Town. The project-length balanced budget shall be adopted by resolution in the year that the project initially begins and shall appropriate total expenditures for the duration of the capital project. Following are the guidelines to be used for ranking capital projects for inclusion in the Town’s capital budget:

a. Capital Project Ranking Criteria:

Core Projects: *Projects that must be funded and meet one of the following criteria:*

- Critical to remedying or preventing a major health/safety hazard (e.g. sewer line problem, sink-hole in roadway, or other failing infrastructure)
- Legally mandated (e.g. DOT and EPA standards – especially if fines for non-compliance)
- Essential to completing a project phase (e.g. complete construction of a building partially funded in a prior period)

Essential Projects: *Projects that are essential in order for the Town to provide services (ranked in order of importance):*

- Positive Fiscal Impact – the project creates revenues or identifies savings in excess of the project cost and is justified by a cost-benefit analysis

- Outside Agency Grants - Projects recommended by the state and/or county development authorities that are expected to provide economic benefit to the community (job creation, tax revenue, etc.)
- Facilities/Equipment Maintenance or Replacement – a maintenance or replacement program essential to avoid a predicted failure in the near future
- Conformance with Plans/Policies – the project implements a specific policy/plan that has been adopted by the Town Board of Commissioners
- Project Interdependence – the project interrelates with other projects or programs that are underway or completed (e.g. furniture & fixtures for a new building, vehicles, and equipment for a new station, etc.)
- Severity of Foregoing the Project – service levels will be severely impacted as a result of not going forward with the project
- Leverage (Optional Grants) – Town funds provide committed federal or state funds at a ratio of 1:3 or greater (e.g. 20% local share of grant projects)

Discretionary Projects: If/when discretionary funds are available after meeting the aforementioned criteria, consideration will be given to projects such as the following:

- Optional Remodeling or Construction and Office Equipment/Furniture
- Optional purchase of land for additional green space and/or use in expanding recreation or other optional services
- Optional additional vehicles & equipment and/or upgrades from existing

B. Capital Formation

1. Financing Sources: The Town acknowledges pay-as-you-go financing as a significant capital financing source, but will ultimately determine the most appropriate financing structure for each capital project on an individual basis after examining all relevant factors of the project. Fund balances in excess of 31% ~~aforementioned LGC guidelines~~ may be used as a capital source for pay-as-you-go financing.

2. Capital Improvement Fees: Impact fees will be calculated based on the Capital Improvement Plan. Impact fee revenues will be used as one of the capital sources for pay-as-you-go financing.

3. Transfers: Capital funding provided by transfers from another fund will be programmed to specific capital projects or programs.

43.5 ACCOUNTING/FINANCIAL REPORTING

The Town will establish and maintain its accounting systems according to the North Carolina Local Budget and Fiscal Control Act. Financial systems will be maintained to monitor expenditures and revenues.

A. All records and reporting will be in accordance with Generally Accepted Accounting Principles and Governmental Accounting Standards Board (GASB) pronouncements.

B. The Town will place emphasis on the maintenance of an accounting system that will provide strong internal budgetary and accounting controls designed to provide reasonable, but not absolute, assurance regarding both the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and reports, such as the budget and the Comprehensive Annual Financial Report (CAFR), as well as maintenance of accountability of assets.

C. An annual audit will be performed by an independent certified public accounting firm which will issue an opinion on the annual financial statements, with a management letter detailing areas that need improvement if required. Auditing services will be evaluated and selected through a competitive proposal process every five years at a minimum by the Board.

D. Full disclosure will be provided in all regulatory reports, financial statements, and bond representations.

E. The Town will maintain the least number of funds and accounts necessary for proper and accurate records. The Town may maintain sub-funds, in addition to legally mandated funds, for accounting and management purposes.

F. The Town's annual financial report will be prepared according to the standards necessary to obtain the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association and will be submitted each year for recognition.

43.6 INTERNAL AUDIT

The Town will establish and maintain its accounting systems according to the North Carolina Local Government and Fiscal Control Act. Financial systems will be maintained to monitor expenditures and revenues.

A. The Town will establish and maintain an internal audit function to review and evaluate internal controls that guide daily operations and programs.

B. A risk assessment will be conducted periodically to document risk exposures and the internal control environment. The results of the risk assessment will be used to determine the priorities and focus of internal audit activity. Staff may use contractors to assist with this process.

C. Prior to the implementation of new financial systems and significant system changes, a review of the controls is required by the Finance department. Financial systems are a combination of applications and processes used to collect, process, maintain, and accumulate information used to budget, plan, or report financial data.

D. Special facilities, projects, contractual arrangements, and notable transactions may be reviewed at any time to ensure proper internal controls are in place and functioning to mitigate risk.

E. Periodic, random operating reviews will be conducted to ensure internal controls are functioning as they are designed.

F. Special reviews may be conducted at the request of management or the Board.

G. The Town has established an Audit Committee to carry out responsibilities defined in Policy 43.

43.7 CASH MANAGEMENT

A. Cash receipts will be collected and deposited as expediently as reasonably possible to provide secure handling of incoming cash and to move these sums of money into interest-earning accounts and investments.

B. All incoming funds will be deposited daily as required by law and are allowed to be received by the most efficient means possible. Efforts will be made to ensure deposits are made in such a manner as to receive credit for that day's interest.

C. Cash Disbursements will be made shortly in advance of or on the agreed-upon contractual date of payment unless earlier payment provides a greater economic benefit to the Town.

D. Payroll disbursements will be in accordance with the requirements of all state and federal regulatory laws, rules, and regulations. Overtime and benefit payments will be made in accordance with the Town's Personnel Ordinance.

E. Checks will be signed by the Finance Director and the Mayor. If the Finance Director is unavailable, the Town may sign the check. If the Mayor is unavailable the Mayor Pro Tem may sign the check. A facsimile signature for the Finance Director must be on all checks.

F. Disbursements will be made using the method(s) deemed most efficient at the discretion of the Finance Director or designee.

G. Proper documentation will be maintained to meet all audit, general governmental accounting standards, and Town policies. Accounting and purchasing have the right to request additional documentation from departments as needed.

H. The Town will follow escheat rules and regulations as directed by NC General Statutes and the Town's Purchasing Policy.

I. The Town will follow the following hierarchy related to revenue spending for programs or projects with multiple revenue sources; federal funds, State funds, debt funds, local non-Town funds, and Town funds. For purposes of fund balance classification, expenditures are to be spent from the restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. The Finance Director or their designee has the authority to deviate from this policy in order to comply with grant agreements, debt requirements, contractual requirements, or if it is in the best interest of the Town.

J. All depositories to which public monies (funds) of the Town may be deposited shall be (1) Official depositories as approved by the Local Government Commission and (2) be also designated and approved by the Town Board.

K. All said depositories shall be in the State of North Carolina unless otherwise approved by the Secretary of Local Government Commission.

L. The Town, by State Statute, is allowed to invest idle funds at interest as permitted by G.S. 159-30. Therefore, all reasonable means should be exercised to maximize interest income from idle funds as well as all the reserve funds consistent with budget needs.

M. Investments made, as allowed by statute, shall be such that at any given time said investments can be converted to cash when needed.

N. No investment may be made for which it is anticipated and/or possible that the return of said investment if were made, and its interest, could ever be diminished to an amount less than the original investment if it were to be made.

O. All investments made with official depositories in excess of the federally insured limit shall be fully collateralized by said depositories.

P. All interest accruing to investments, at interest, shall be identified and credited to the same specific individual fund or funds from which the said investment or portion thereof was derived or implemented.

Q. In order to facilitate cash flow needs and/or meet unexpected emergency situations, terms for which investment contracts are made (i.e., such as certificates of deposit, bonds, etc.) should be in the range of twelve (12) months to twenty-five (25) months but shall not exceed forty-two (42) months unless specific approval is given by Town Board.

R. Monies (cash funds) needed for week-to-week expenditures are to be held to a minimum in insured public fund accounts in relation to week-to-week variations in weekly expenditures because of the lower interest-bearing rates.

S. Public monies (cash funds) may be deposited in official depositories in NOW (Negotiable Order of Withdrawal) accounts.

T. The Finance Officer shall oversee all deposits of public funds daily by the Town's Revenue/Collection Department.

U. No more than \$250.00 in petty cash or cash receipts and/or checks are allowed to be held not deposited, except deposit of all cash must be made on the last working day of the month with the Finance Officer.

43.8 COLLECTIONS

A. The Town will pursue collection on delinquent customer accounts using any prudent manner available, including the North Carolina Debt Set-off Program and the use of a third-party collection agency. After exhausting collection efforts and after considering legal time limits for all collection methods, delinquent balances may be written off at the discretion of the Finance Director.

B. Delinquent fees are established annually through the budget process.

C. Town staff has the right to suspend related services in connection with the unpaid customer account. Service may be resumed once the outstanding balance is paid in full. With the approval of the Finance Director, additional unrelated Town services may be suspended for the past-due customer.

43.9 INTERNAL CONTROL AND COMPLIANCE

The Town intends to maintain a system of internal controls that ensures complete, accurate, and timely financial records by working with Departments to create business systems that properly capture and report financial-related information.

A. Finance, in coordination with the Town Board, will establish Town-wide standard procedures and policies for the security, handling, and maintenance of sensitive information, which departments will be responsible for reviewing and incorporating into their daily activities.

B. Finance staff will provide training periodically in order to provide system information to users, as well as provide clarification on Town financial-related policies and procedures and other regulatory and statutory requirements.

C. Background checks, which include criminal and credit checks, will be conducted on positions deemed critical for financial purposes according to procedures established by the Finance Department in conjunction with Human Resources.

INDEX

43.0 Objectives 1
43.1 Operating Budget 1
43.2 Revenue 2
43.3 Expenditure 3
43.4 Capital Improvement 4
43.5 Accounting/Financial Reporting 4
43.6 Internal Audit 5
43.7 Cash Management 6
43.8 Collections 8
43.9 Internal Control and Compliance 8

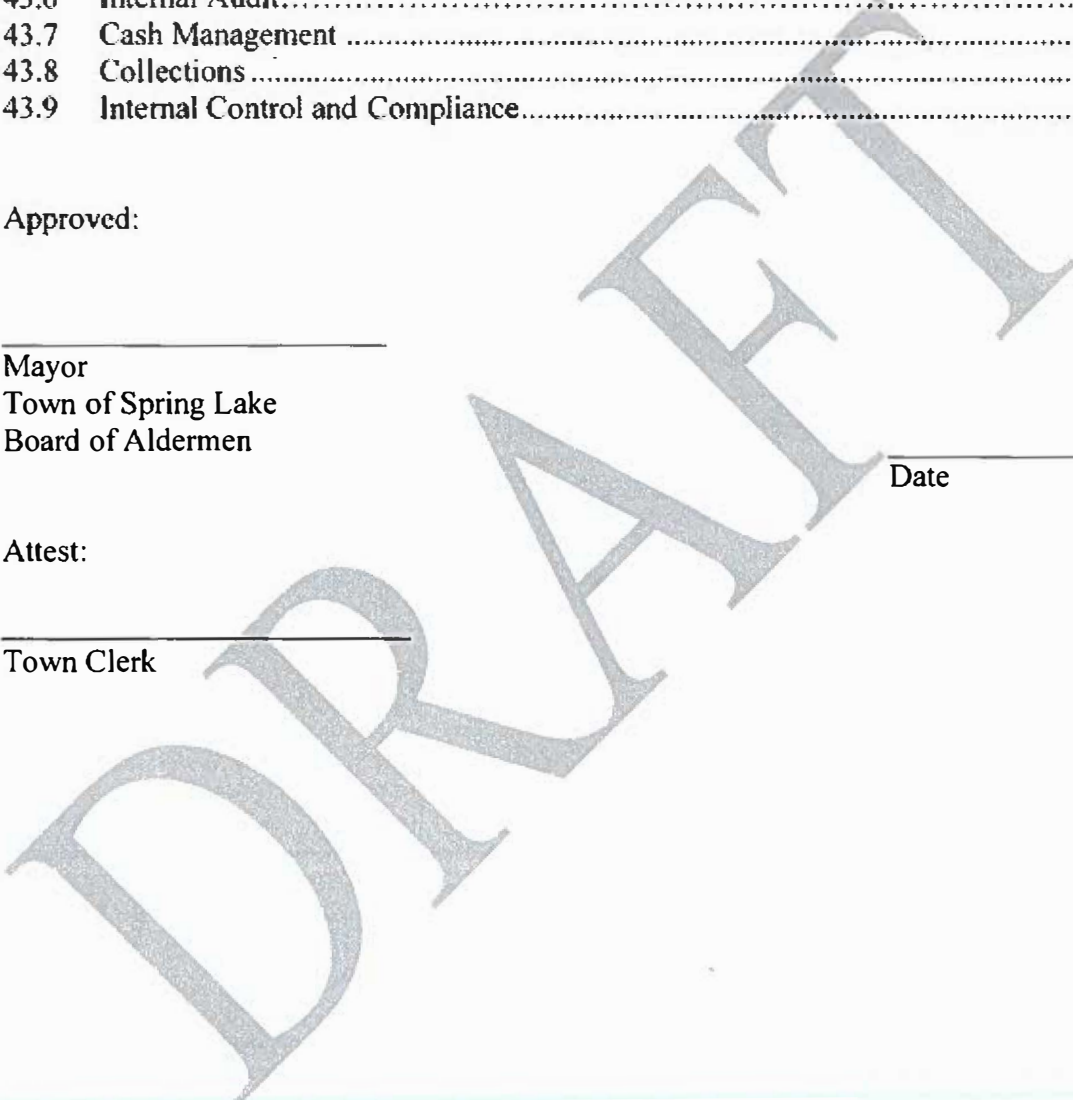
Approved:

Mayor
Town of Spring Lake
Board of Aldermen

Date

Attest:

Town Clerk





Board of Aldermen Agenda Cover Sheet

Meeting Date

May 13, 2024

Agenda Location

New Business

Item Title

Discussion Regarding Mayor's Right to Vote

Presenter

Mayor Kia Anthony

Summary/Description

In North Carolina, some Towns have adopted a model where the Mayor votes on all matters before the council, not just in the case of a tie. This change often brings a new dynamic to the decision-making process, fostering a sense of shared responsibility and unity within the leadership.

Please Note: This was previously discussed on Monday, January 24, 2022. Minutes attached.

Requested Action

Other – Discussion

Funding Source (If Applicable):

N/A

Cost: N/A Yes No

Additional Documents to be Included in Agenda Packet

Section b. Discussion of the Mayor's Voting Authority - 1/24/22 minutes

Mayor's Right to Vote Letter written by Mayor Kia Anthony

Coates' Cannon NC Local Government Law – Powers of Mayors

Coates' Cannon NC Local Government Law – Do Mayors Have a Duty to Vote?

h. Discussion of the Mayor's Voting Authority

Mayor Kia Anthony provided information about the mayor's voting authority. Mayor Anthony stated the Spring Lake Mayor does not contribute to the votes pertaining to the business of the town. Mayor Anthony gave details in regards to the mayor's accountability and making decisions for the town. Mayor Anthony stated the promises she made to the community is the reason why she would like the opportunity to vote. Mayor Anthony stated the mayor signs thousands of dollars' worth of checks, but has no vote. Mayor Anthony stated the mayor has the right to be ceremonial, but again, no right to vote. Mayor Anthony stated there are many resources she would like to bring to the Board and to the community, but she can't implement them. Mayor Anthony expressed that when she does something wrong or right; they will call my name, but I have no vote. Mayor Anthony described her voting rights as a soldier on the battlefield with no weapon. Mayor Anthony expressed her concerns that the Board needs to be a team, and giving the mayor the right to vote helps our team make better decisions. Mayor Anthony stated she knows the mayor can only vote if there's a tie, but if the board can't vote without a tie, then we need to regroup, and figured out how to make the proposal stronger so that all six of us who was elected by the community can work together to have the best ideas for the town. Mayor Anthony expressed her concerns that the Board needs to be accountable and responsible for their actions and behavior, and wisdom to a level of submission to others opinion and viewpoints. Mayor Anthony explained to hold accountability in the workplace because it shows inclusion and provides ownership, and any decisions made in this town will be held accountable. Mayor Anthony stated we are one unit, we are one team, and one voice, and we all should be able to vote. Mayor Pro tem Robyn Chadwick had concerns regarding the mayor voting because of persuasion and abuse of powers. Mayor Pro tem Chadwick stated the Board will hold the mayor accountable. Alderman Lackman questioned Mr. Jonathan Charleston if the Board can or should proceed with the proposal to give the mayor voting rights. Mr. Charleston stated the Board is the policy making body, and the Board can modify the town's charter to allow the mayor to vote. Mr. Charleston stated the Mayor of Fayetteville votes. Alderman Lackman expressed his concerns with a tie vote, and did not favor the mayor's authority to vote. Alderman Lackman recommends the Board works with the present issues, and table this proposal at a later date. Alderwoman Cooper stated there are towns smaller than Spring Lake that have amended their charter that allowed the mayor to vote. Alderwoman Cooper suggested asking the town citizens for their opinion. Mayor Anthony stated if we can't convince four board members with a solid conclusion, then that initiative may not be that solid. Mr. Charleston stated there is a process that involves a referendum for the citizens to cast their votes. Mayor Anthony stated the town would have a public hearing prior to any decisions being made.

c., d., and e. Application for the Senior Enrichment Program Advisory Committee, Military and Veterans Advisory Committee, and Appearance and Sustainability Committee

Ms. Melissa Pereira requested for all applications to be approved. Alderwoman Cooper requested to table all town committee applications until further notice in regards to training and review the bylaws with the town's vision. Alderman Lackman agreed. Alderman Lackman stated the we would better serve the community, and do what's best for the town. Alderman Lackman pleaded with the citizens to apply so the town can be successful. Mayor Anthony stated the Board isn't rejecting any applications. Alderwoman Thompson recommended a deadline to applicants. Alderman Lackman stated unreadiness in regards to a deadline. Mayor Anthony stated the Board will table until we can discuss this further.

Action: Approval of tabling all town committee applications until further guidance can be executed.

Motion: Alderwoman Cooper

Second by: Alderman Lackman

Vote: Unanimous

Members of the Board of Aldermen,

As we stand together at the crossroads of growth and community development, our governance structure plays a pivotal role in shaping the future of Spring Lake. Our shared commitment to fiscal responsibility, sustainable development, public safety, and inclusivity has always guided our path forward. And, as we look at examples across our great state, we see the potential for enhancing our governance through a more inclusive voting structure.

Cities and towns like Fayetteville, Cary, and Apex have thrived by adapting their charters to allow their mayors to preside over meetings and actively vote on all matters. This change has increased accountability and ensured a more balanced representation of the community's voice in decision-making processes.

Allowing the mayor to vote would not diminish the power or importance of the aldermen but would enhance the decision-making capacity of our board as a whole. It promotes a unity of purpose, ensuring that every decision is weighed and supported not by a segmented representation but by the collective vision of all elected officials. This is how a true team works, where every voice is heard and instrumental in shaping our community's future.

As we continue to foster engagement and drive our community towards a brighter, more prosperous future, let us consider this change not just as a shift in our charter but as a commitment to enhanced collaboration and leadership. This is about ensuring that every decision we make can benefit from the fullest range of insights and commitments we offer.

Together, let's open a new chapter of participative leadership in Spring Lake, setting a standard for what we can achieve when all parts of our governance model align perfectly with our community's needs and aspirations.

Let's discuss this possibility not just as a change but as an opportunity—a step forward in our journey towards a more connected and inclusive government.

With respect and hope for our shared future,

Mayor Kia Anthony



Coates' Canons NC Local Government Law

Powers of Mayors

Published: 12/23/09

Author Name: Erayda Bluestein

Compared with many other states, North Carolina has created a very limited role for mayors. Our state laws leave many decisions about the management and operation of municipalities to the governing board, or, in jurisdictions operating in a council-manager form of government, to managers. Here's a review of the basic authority the legislature gives mayors.

There are two main statutes that describe the role of the mayor: G.S. 160A-67 and G.S. 160A-69. They set out the basic powers of the mayor as follows:

- The powers and duties of the mayor are those that are “conferred upon him by law,” and those that are “conferred upon him by the council pursuant to law;”
- The mayor is the official head of the city for the purpose of service of civil process and for all “ceremonial purposes;”
- The mayor “shall preside over all council meetings.”

G.S. 160A-67 describes the mayor's powers when it comes to voting:

- If the mayor is elected separately by a vote of the people, he or she votes only in the case of tie. If the mayor is elected as a council member (rather than directly to the office of mayor), and is elected mayor from among the membership of the council, he or she retains all of the voting privileges of a council member, but has no right to break a tie vote in which he or she participated.

According to a database that describes **forms of government in North Carolina**, most of our municipalities (553) have separately elected mayors.

In contrast to the mayor's limited powers, the legislative delegation of power to the council is quite broad. **G.S. 160A-67** states: "Except as otherwise provided by law, the government and general management of the city are vested in the council." So unless something specific in the law gives power to the mayor (or someone else, like the manager), the default is that the council decides.

Sometimes powers "otherwise provided by law" can be found in a municipality's charter. Charters may contain different or additional provisions dealing with the operations of the council and the mayor's role. For example, **Greensboro's charter** specifically authorizes the mayor and the mayor pro tem to execute contracts, deeds and other documents on behalf of the city. While this is the practice in many jurisdictions, it's not a power the mayor has unless it has been delegated by the board, or is specified in a charter provision like the one in Greensboro. It's important for mayors and council members to familiarize themselves with their municipal charters, and to identify and follow any charter provisions that modify the general law.

In addition to the general authority described above, several statutes specifically call for the mayor to take certain actions, such as **filing maps of annexations**, or making appointments, such as to a **hospital authority** or **housing authority**. The mayor also has the power, along with others listed in the relevant statutes, to **call special meetings** of the council.

As noted above, **G.S. 160A-67** specifically allows the council to delegate powers to the mayor in addition to those that the legislature delegates by statute or charter. This might occur by resolution or, over time and less explicitly, by practice and habit. These delegations of authority are examples of things that are not permanently binding, either on the board that makes them or on future boards, as described in **this post**. So the council may expand or contract these discretionary powers – that is, those that are conferred by council rather than by statute or charter, as it sees fit.

Developing and defining the respective roles of mayors and council members can be challenging, but it is an important step in establishing effective working relationships among the members of the governing body. Two resources available from the School of Government to help local governments with these issues are:

Suggested Rules of Procedure for a City Council, Fourth Edition, by Trey Allen and
Leading Your Governing Board: A Guide for Mayors and County Board Chairs, by Vaughn Upshaw.



Coates' Canons NC Local Government Law

Do Mayors Have a Duty to Vote?

Published: 11/07/13

Author Name: Frayda Bluestein

North Carolina holds its local government board members' feet to the fire when it comes to voting. City council members and county commissioners have a legal duty to vote unless they are excused for any of several grounds allowed under the statutes. The statutes do not authorize board members to abstain. In cities, if a member abstains he or she is recorded as voting in the affirmative.

What about mayors? Does a mayor who votes only in the case of a tie have a duty to vote? If she doesn't vote does it count as a yes? What if the mayor has a conflict of interest? May she be prohibited from breaking a tie?

To answer these questions, we must consider two separate statutes. First, G.S. 160A-75 (the council member statute) delineates the voting requirements for city council members. This statute allows members to be excused from voting only on matters involving their own financial interest or official conduct, and in cases where certain listed state statutes prohibit them from voting. Unless excused for one of these reasons, if a council member leaves a meeting without being excused from the meeting and does not vote, or is present and does not vote, that member is counted as voting yes. The limited authority for being excused, combined with the "no abstention" rule creates a duty to vote for council members.

A second statute, G.S. 160A-69 (the mayor statute) delineates voting requirements for mayors. Most mayors are separately elected by the voters, but some are chosen by the council from among its members. The mayor statute establishes different rules for each type of mayor. It says that mayors "have the right" to vote only when there are equal numbers of votes in the affirmative and the negative.

Mayors who are elected by the council “have the right” to vote on all matters, but have no right to break a tie vote in which they participated. It is important to note that some city charters may contain different rules for mayor voting.

A separately elected mayor’s voting powers are exclusively addressed in the mayor statute. That statute authorizes, but does not require a mayor to break a tie. Voting by separately elected mayors is not governed by the council member statute therefore the duty to vote does not apply to their voting. They may choose to break a tie, but if they choose not to, they are not recorded as voting “yes.” Instead, the tie vote stands and the motion fails.

A mayor who is elected from among the members of the council, however, remains a member of the council, and the rules in the council member statute still apply. Council-member mayors have a duty to vote along with the other members. Do council-member mayors have a duty to vote to break a tie? The prohibition on voting to break a tie on a matter in which the mayor participated might be interpreted to imply that council-member mayors have the right to vote to break a tie if they *did not* participate in the initial vote. The duty to vote under the council member statute essentially prevents this situation from occurring. The council member statute requires them to vote with the rest of the council, and counts them as voting yes if they abstain. A better interpretation is that the legislative purpose of the prohibition on double voting is to explicitly reject the holding in an early Supreme Court case which allowed it. (See *Markham v. Simpson*, 175 N.C. 135 (1918).)

What if the mayor has a conflict of interest? Do the conflict of interest provisions in the council member statute apply to mayors? That statute *prohibits* members from voting as required under several listed statutes: G.S. 14-234 (direct benefit in contracting), 160A-381(d) (legislative zoning decisions), and 160A-388(e2) (quasi-judicial decisions). These laws create an independent basis for prohibiting the vote. They apply to any member of the council, as well as a separately elected mayor when she would be voting to break a tie.

The voting statute also *allows* council members to be excused from voting on matters involving their own financial interest or their own official conduct. The statute does not explicitly *require* council members to be excused in these situations. These provisions are properly understood in the context of the duty vote. They delineate the acceptable grounds for not voting, and the duty to vote applies in

<http://canons.sog.unc.edu/2013/11/do-mayors-have-a-duty-to-vote/>

every other instance. A council-member mayor is subject to these provisions in the same manner as the rest of the council. It follows that a council-member mayor who is excused from voting on a matter under the statute will be ineligible to break a tie vote on that matter.

A separately elected mayor has no duty to vote to break a tie and can abstain, in effect, without being excused from voting. What if the mayor is inclined to vote but council members feel that the matter involves the mayor's own financial interest or official conduct? There is no mechanism for "excusing" or otherwise preventing a separately elected mayor from voting to break a tie on matters involving their own financial interest or official conduct. (Indeed, as noted in my earlier blog post on [excusing board members from voting](#) it's not even clear that the council can *prevent* a council member from voting.)

There's a good argument, however, that mayors should adhere to the same standard that applies to council members. North Carolina cases have recognized financial conflicts as a matter of common law. In addition, state mandated ethics policies generally include standards for avoiding conflicts of interest. It may be prudent for a mayor to disclose potential conflicts in the same way other council members would, and to refrain from exercising the right to vote to break a tie when a conflict exists.

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