

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
Alderman Robyn Chadwick
Alderman Marvin Lackman
Alderman Raul Palacios
Alderman 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: Alderman 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 Anthony
Town Clerk



Kia Anthony
Mayor