

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

April 20, 2026

MINUTES

11:05 am

The Spring Lake Board of Commissioners held a Special Meeting in the Grady Howard Conference Room of the Spring Lake Municipal Building with Mayor Kia Anthony presiding.

Board Members Present: Mayor Pro Tem Fredricka Sutherland
Commissioner Tony Burgess
Commissioner Soña L. Cooper
Commissioner Jackie Jackson
Commissioner Adrian Thompson

Others Present:

Carly Autry, Town Clerk
Dennis English Jr., Interim Town Manager
James Overton, Finance Director

1. CALL TO ORDER

Mayor Pro Tem Sutherland declared a quorum and called the meeting to order.

2. INVOCATION AND PLEDGE OF ALLEGIANCE

Town Manager Dennis English Jr. gave the Invocation and led the Pledge of Allegiance.

3. OPEN SESSION – Budget Workshop

Interim Town Manager Dennis English set the stage for the budget workshop by emphasizing that this was the Commissioners' time with no time limit. He stressed that Commissioners should take their time to ask questions, and that he and the Finance Director James Overton would be available to answer them thoroughly. He encouraged taking breaks if needed and emphasized that this should be treated as their work session without frustration or impatience.

WATER AND SEWER RATE UPDATES

Good news was shared regarding Fayetteville Public Works Commission (PWC). PWC agreed to raise their tiered rate threshold from 20 million gallons to 30 million gallons per month. Previously, any usage over 20 million gallons incurred a 50% premium increase; however, the Town will now only pay the premium if usage exceeds 30 million gallons monthly. Since the Town has only exceeded 30 million gallons once in the past five (5) years, this threshold will rarely be reached. This adjustment reduces the projected water and sewer bill increase from \$275,000 to approximately \$200,000, requiring only a 3.5% rate increase instead of the previously projected 5%.

COST OF LIVING ADJUSTMENTS (COLAs)

Cost of living adjustments were discussed, noting that the rate had increased from 2.5% to 3.3% due primarily to rising gas prices. Implementing a 3.3% increase instead of the originally planned 2.5% would result in an additional \$26,000–\$27,000 in salaries, plus approximately \$33,000 more when including benefits.

It was also noted that while COLAs provide equal percentage increases, they do not address disparities for employees who are underpaid based on salary surveys. Lower-paid employees were identified as having the greatest need for targeted salary adjustments, as COLAs result in higher-paid employees receiving larger dollar increases.

EMPLOYEE RETENTION ISSUES

Significant staffing challenges were reported. Six (6) firefighters had left within the past month and a half, and two (2) to three (3) police officers were expected to leave due to higher-paying opportunities with nearby agencies. This was attributed to a broader shortage of police officers, firefighters, and EMTs, increasing demand and competition for these roles.

EQUIPMENT AND VEHICLE NEEDS

Various equipment needs were outlined, particularly the replacement of police vehicles. The department currently has 15 vehicles that are approximately seven (7) years old and due for replacement. Additional equipment needs were also noted, requiring prioritization decisions.

BULK WATER RATE ADJUSTMENTS

With the Town paying \$5.59 per thousand gallons for water, it was recommended that water not be sold below cost. This would require increasing the bulk water rate for Overhills from \$5.08 to \$5.60 to break even. Although a 10% markup had been considered (raising the rate to \$6.15), it was determined that such an increase may be too significant given recent rate adjustments.

OVERHILLS SEWER RATE

The Overhills sewer bill increased significantly – from approximately \$4,500–\$5,000 per month to \$17,000–\$18,000 per month – after rates were adjusted to match those charged to outside customers. A proposal was made to charge Overhills the same rate as in-town customers, resulting in monthly bills between \$10,000–\$12,000. Overhills indicated that the higher rates were not sustainable and mentioned the possibility of connecting to Harnett Regional Water’s system if necessary.

PUBLIC WORKS DIRECTOR POSITION

The need for a new Public Works Director was discussed. The current budget allocates \$85,000 within the Water and Sewer Fund; however, it was noted that recruiting a qualified engineer may require additional

funding. A proposal was made to split funding between the Water Fund (two-thirds) and Stormwater Fund (one-third), utilizing a vacant position along with the budgeted funds to adequately support the role overseeing water, sewer, and stormwater operations.

BUDGET STRUCTURE OVERVIEW

Approximately 75% of the budget was identified as fixed or uncontrollable, including debt service, state retirement contributions, payroll taxes, insurance, utilities, and other mandated expenses. Controllable areas were primarily staffing levels, salaries, and equipment purchases.

INSURANCE AND BENEFITS

Cost savings were achieved by switching from Blue Cross to United Healthcare, reducing costs from \$800 to \$650 per employee. Even with a projected 15–20% increase, costs remain lower than those paid two (2) years ago. Total insurance costs, including medical, dental, life, and vision, average approximately \$9,900 per employee.

NATURAL GAS PIPELINE PROJECT

Piedmont Natural Gas is applying for an \$800,000 State Grant to construct a natural gas pipeline, with a request for the Town to contribute \$300,000 toward the \$1.1 million project. The Town has \$200,000 remaining in the Mutzberg Park Capital Project for design but would need additional funding for construction. This project is contingent upon Grant approval and is not currently included in the budget.

FUEL BUDGET CONSIDERATION

Fuel costs were budgeted at \$4 per gallon, consistent with the previous year. While prices are currently fluctuating, this estimate accounts for potential increases due to external factors such as storms, refinery closures, or global events. Adjustments may be needed prior to finalizing the budget.

GOVERNING BODY DEPARTMENT REVIEW – Mr. Overton provided details about the Governing Body budget:

Commissioner Compensation: A proposed 5–12% increase would raise monthly compensation from \$378 to approximately \$500, totaling about \$3,400 annually for all six (6) Commissioners. This was noted as competitive with similar municipalities.

Benefits Changes: Longevity pay was eliminated. Commissioners would receive the same benefits as other employees, including a 1% 401k match if participating, and a \$50.00 monthly cell phone allowance.

Professional Development: The budget maintains \$9,750 for professional development. It was noted that the Mayor and Mayor Pro Tem typically utilize a larger portion of these funds; however, it was noted that each Board member should be allocated a set amount and should not utilize funds designated for other Commissioners.

Insurance and Memberships: Approximately \$24,000 is allocated for insurance policies, including public officials' liability and related coverages. Membership dues include the NC League of Municipalities, Mayor's Association, Mid-Carolina Council of Governments, and UNC School of Government.

Cost Reductions: Removed items include Chamber of Commerce dues, health insurance for Commissioners, and election expenses due to no upcoming election cycle. It was noted that some Board members may be interested in receiving health benefits.

Special Events: \$8,600 is allocated for events such as the Christmas Tree Lighting, First Friday events, and other community activities, with flexibility for Board direction.

POLICE DEPARTMENT OVERVIEW – Police Chief Errol Jarman and Mr. Overton provided details about the Police Department budget:

Sergeant Maynard Smith
Tracy Towson, Executive Assistant

Staffing and LEOSSA: The Law Enforcement Officers Special Separation Allowance budget decreased from \$34,000 to \$4,000 because only one (1) former employee (Angel Diaz) was receiving benefits, as former Chief Troy McDuffie had aged out at 62.

Salary Adjustments: The salary budget increased from \$1.003 million to \$1.0045 million, including the addition of two (2) previously frozen positions and cost of living increases.

Overtime and Part-time Changes: The overtime budget increased from \$45,000 to \$58,000 by combining the previous part-time budget of \$13,000. It was explained that instead of relying on part-time officers who provide limited services, reallocating those funds to overtime allows full-time officers to work additional hours with full capabilities.

Vacation Payout: The budget includes \$25,000 for vacation payouts, a significant increase from the original \$3,500 request, due to anticipated departures of senior officers who have accumulated substantial leave time.

Training and Development: A total of \$20,000 is allocated for training, noting that the department had been underfunded in this area in previous years. The importance of ongoing education and certification for officers was emphasized.

Vehicle and Equipment Needs: The Capital Outlay budget of \$474,000 includes six (6) police vehicles and one (1) pickup truck, along with necessary equipment such as lights, sirens, radios, and GPS tracking systems.

Drug Enforcement: A \$2,000 budget is allocated for narcotics operations. These funds are used for undercover purchases and are subject to strict approval and documentation procedures.

Technology and Communications: Various line items cover printing, communications equipment, and other operational needs, with some reorganization of budget categories to better reflect actual usage patterns.

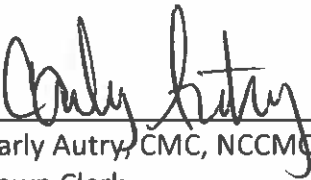
During the discussion various questions were asked about specific budget items, training requirements, officer retention strategies, and operational procedures. Chief Jarman provided detailed explanations about department operations, staffing challenges, and the competitive environment for law enforcement recruitment.

The Special Meeting was requested to end and resume at a later date.


4. ADJOURNMENT

Action: There being no further business to come before the Board, the meeting was adjourned at 1:13 pm.

ATTEST:


Carly Autry, CMC, NCCMC
Town Clerk




Kia Anthony
Mayor