

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

April 13, 2015

MINUTES

7 p.m.

The Spring Lake Board of Aldermen held a regular scheduled meeting in the Grady Howard Conference Room of the Spring Lake Municipal Building with Mayor Chris V. Rey presiding.

Board Members Present: Mayor Pro Tem James O'Garra
Alderman James Christian
Alderwoman Densie Lucas
Alderwoman Fredricka Sutherland

Alderman Richard Higgins was absent

Others Present:

Andrew Wilkison, Interim Town Manager	Tony Buzzard, Town Attorney
Byron Blumenfeld, Water Resource Manager	Rosa Henegan, Human Resources Director
Paul Hoover, Public Works Director	Troy McDuffie, Police Chief
T.J. McLamb, Fire Chief	Butch Watson, Interim Finance Director
Gail Elder-White, Recreation Director	Rhonda Webb, Town Clerk

2. Invocation

Alderwoman Lucas gave a non-sectarian invocation.

3. Pledge of Allegiance

Mayor Rey led the meeting in the pledge of allegiance.

4. Additions or Deletions to Agenda

The Board deleted the Public Hearing from the agenda and added two items under the Presentation section: Proclamation, Week of the Young Child as 9a and Update from Manager as 9d.

Action: The Board approved a motion to amend the agenda by deleting item 8a, Public Hearing and adding Proclamation, Week of the Young Child as item 9a and Update from Manager as item 9d.

Motion by: Alderman Christian

Second by: Alderwoman Sutherland

Vote: Unanimous

5. Approval of Agenda

The Board approved the agenda as amended.

Action: The Board approved a motion to approve the agenda as amended.

Motion by: Alderman Christian

Second by: Alderwoman Sutherland

Vote: Unanimous

(A copy of the agenda is hereby incorporated by reference and made a part of these minutes – see attachment one.)

6. Approval of Consent Items

The Board approved the consent items:

- a. Minutes of the March 23, 2015 Regular Meeting
- b. Minutes of the March 30, 2015 Special Meeting
- c. Minutes of the April 7, 2015 Special Meeting

Action: The Board approved a motion to approve the consent items for March 23, 2015 Regular meeting, March 30, 2015 Special Meeting and April 7, 2015 Special Meeting

Motion by: Alderwoman Sutherland

Second by: Mayor Pro Tem O'Garra

Vote: Unanimous

7. Public Forum

No one spoke at the Public Forum.

8. Public Hearing

a. Economic Development Incentive Contract

This item was deleted from the agenda.

9. Presentation

a. Proclamation, Week of the Young Child

Mayor Rey presented the Partnership for Children with a Proclamation for the Week of the Young Child.

b. Audit Clarification

Mr. Alan Thompson provided the Board with information regarding conversations he had with the Town Manager and Interim Finance Director prior to the presentation of the audit. On February 4, 2015 he discussed with Mr. Metcalf and Ms. West some theoretical and some practical items regarding the audit. Cash collections and internal controls over cash collections were discussed. Once collections are offsite (like the Recreation Department) you increase the potential for accounting issues especially when accounting personnel are not involved. The Finance Officer's role was discussed and the importance of not allowing that person to be part of the cash collecting, billing and posting job duties. This allows the Finance Officer to have more oversight and not be in a position to review their own work. This produces a better overall internal control. Importance of timely reports to the Board was discussed. Credits of any type were discussed and the importance of monitoring them. Overrides should be a last resort and people should get the transaction right the first time. The also discussed running monthly credit reports and adjustment reports to ensure you do not get behind. PCards were discussed. He stated that one employee responded to their survey to take a look at the PCard process. They reviewed some of the PCards and reviewed some of the analytical procedures in supplies, travel, repairs, maintenance, etc. to see if anything would stick out. They looked at budget to actual variances that would kick out that there was a major issue. Mr. Thompson expressed concern with the volume of PCards in existence. This is however a management and Board decision and not an auditor decision. He stated it is not practical to have that many PCards issued. The tax rate increase was discussed and the necessity of the tax increase. He stated that every fund should be self-sustaining and what is happening for the past many years is that Water and Sewer Fund is supplementing the General Fund. We most likely have rate and cost allocation issues that are causing the negative balance in the

balance prior to inter-fund transfer in the General Fund. He stated if we have General Fund revenues that are beneath total expenditures and we are having to supplement that with Water and Sewer Funds, which we may have to do to get this in proper alignment over time, to rectify this we may have to increase the tax rate and over time there should be a corresponding decrease in the Water and Sewer rates so that each Fund is self-sustaining. More analytical work will have to be done on this. Internal control procedures document was discussed and the need to create a document for Spring Lake. He advised that he could not be part of the process of creating this document because he could potentially be the one to audit it and point out weaknesses.

Alderwoman Sutherland inquired about the clarification that Mr. Thompson presented on February 23, 2015 and he stated that was to clarify that the General Fund expenditures were in excess of the General Fund revenues before transfers even though we had a General Fund balance increase each year. Alderwoman Sutherland stated that she wished she had received the information he presented tonight prior to tonight.

Alderman Christian asked what the response was when the volume of PCards were discussed and Mr. Thompson stated staff intended to take back many of the issued cards. He stated Ms. West took notes so that action could be taken on the items they discussed. Alderman Christian stated that we shouldn't be taking funds from the Water and Sewer Fund to balance the General Fund and Mr. Thompson said that is correct.

(A copy of the agenda memo is hereby incorporated by reference and made a part of these minutes – see attachment six.)

c. Presentation, Retirement for Gail Elder-White

Mayor Rey presented Ms. Elder-White with a plaque for her service to the Town and wished her well in her retirement.

(A copy of the agenda memo is hereby incorporated by reference and made a part of these minutes – see attachment seven.)

d. Updates from the Manager

Mr. Wilkison advised the Board that the Town experienced a significant water line break on Weaver Street on Saturday. Repairs were made within a few hours but significant road damage occurred. The Town's insurance does not cover this and we are waiting on estimates to fix the problem. He requested the Board be available for a Special Meeting as early as this week to approve a Budget Amendment to fix the roadway and possibly fix faulty water lines at the same time.

The Recreation Director's job advertisement has been created and will be advertised with the League and other avenues.

We are working on a job advertisement for the Town Manager position and he will be sharing this for feedback from the Board.

Mayor Rey reported that NCDOT has partial funding for a median on N. Bragg Boulevard in front of Sonic. They are looking for additional funding. He also advised that NCDOT is looking at the timing of traffic light at Odell Road and N. Bragg Boulevard.

10. New Business

a. Resolution (2015) 5, Adding Interim Town Manager to Bank Signature Card

Resolution (2015) 5 was presented and approval was requested to add Mr. Wilkison to the bank signature card.

Action: The Board approved a motion to approve Resolution (2015) 5.
Motion by: Alderwoman Christian
Second by: Alderman Christian
Vote: Unanimous

(A copy of the agenda memo and Resolution (2015) 5 is hereby incorporated by reference and made a part of these minutes – see attachment six.)

b. Budget Amendment 2015.15, Sandhills State Veterans Cemetery

Mr. Watson advised in 2012 the Friends of the State Veterans Cemetery made a presentation to the Board for capital improvements to the cemetery. The State Legislature approved an appropriation from the General Assembly. This money is a “pass through” from the State Legislature to the Cumberland Community Foundation. The Cumberland Community Foundation is not allowed by their by-laws to make a payment to anyone except a 501(c)(3) or a government agency. The money has already been received by the Town and we need to pay the two vendors who are performing the work. We are not overseeing the project and are only taking in the funds and paying out the funds, The Friends of the State Veterans Cemetery is the overseeing authority.

Action: The Board approved a motion to approve Budget Amendment 2015.15.
Motion by: Alderman Christian
Second by: Alderwoman Lucas
Vote: Unanimous

(A copy of the agenda memo and Budget Amendment 2015.15 is hereby incorporated by reference and made a part of these minutes – see attachment seven.)

c. DOT Project U-4444B Relocation of Water Line

Mr. Blumenfeld advised approximately two months ago the Town experienced a water line break in the area of Poe Avenue. While constructing the overpass it was determined that the 12” line would be buried under approximately 18’ of fill and asphalt. Should this line break at some point it would be a costly break and a traffic nightmare. The State, engineers and Town staff all agreed that this line should be addressed. Since discovering this, an 8” line has been placed out of commission and a 6” line in that area is going to be moved which can be done as part of the original contract. The 12” line fix would be an additional \$90,000 to \$100,000 cost. The project is currently under budget and the moving of the lines will fall well within the original scope of the project.

Action: The Board approved a motion to approve moving the water line.
Motion by: Alderman Christian
Second by: Alderwoman Sutherland
Vote: Unanimous

(A copy of the agenda memo is hereby incorporated by reference and made a part of these minutes – see attachment eight.)

11. Closed Session G.S. 143-318.11(a)(4) – Economic Development and G.S. 143-318.11(a)(6) – Personnel

Action: The Board approved a motion to go into Closed Session pursuant to G.S. 143-318.11(a)(4) – Economic Development and G.S. 143-318.11(a)(6) – Personnel.
Motion by: Alderman Christian

Second by: Mayor Pro Tem O'Garra

Vote: Unanimous

Action: The Board approved a motion to go back into open session at 9:36 p.m.

Motion by: Alderman Christian

Second by: Alderwoman Lucas

Vote: Unanimous

12. Adjournment.

Action: There being no further business to come before the Board, the meeting was adjourned at 9:36 p.m.

Motion: Alderman Christian

Second by: Mayor Pro Tem O'Garra

Vote: Unanimous



Rhonda D. Webb

Rhonda D. Webb, MMC, NCCMC
Town Clerk

ATTEST:

Chris V. Rey
Mayor