

Town of Spring Lake Special Meeting of the Board of Alderman

MEETING MINUTES

Call to order: A Special Meeting of the Board of Alderman was held in the Grady Howard Room of the town hall on February 10, 2014. The meeting was called to order at 6:10 p.m. by Mayor Chris Rey.

Approval of the agenda: Mayor Rey asked for a motion to approve the agenda. Mayor Pro Tem O'Garra made the motion to approve the agenda and it was seconded by Alderman Higgins. It was moved and properly seconded. Motion was carried.

Members in attendance: Alderman James Christian, Alderwoman Fredericka Sutherland, Alderman Richard Higgins, Mayor Pro Tem James O'Garra, Mayor Chris Rey & Town Manager, Ken Metcalf.

Alderwoman Densie Lucas arrived at 6:38 p.m.

Department Heads in attendance: Paul Hoover, Allen Coats, and Chief Troy McDuffie and Chief McLamb.

Capital Project Law Enforcement Center: The Town Manager opened the meeting with the discussion. He stated that going back two or three managers the town has been involved with Mr. Billy Wellons with discussion about swapping some properties in the town that would mutually benefit both the town and his business. Mr. Metcalf entertained questions but also asked to get a consensus from the board to move forward with this. With your permission I will bring it back sometime early spring for your approval.

Alderwoman Sutherland asked Mr. Metcalf if he could elaborate on the trade off of the difference of the money of \$10, 500. Mr. Metcalf stated it is the trade off of taxes but I think Mr. Wellons is more interested in the sanitation fees. He mentioned the possibility of both because apparently he has to pay quite a bit of sanitation fees. Sutherland stated that we don't plan to do both do we? Ken said one or the other or whatever equals \$10,500.00.

Ken gave the background and stated that before Mr. Burns left there was some conversation with Mr. Wellons about getting a mutually agreed upon person who values property. That person came in and valued properties that we have and several properties that Mr. Wellons has and taking the property Mr. Wellons has proposing to swap with what we have is the difference of in the land value \$10,500.

Alderwoman Sutherland asked what is he going to do with the property we are switching out? Metcalf said that I am not sure what he is going to do but I am sure it is for some type of business development. Alderman Higgins said that in looking for a consensus that he is all for it because we have property that we are never going to use. I think the town working with Wellons in the future that he has the property primed to be redeveloped. Between the Chamber and the town we can get something good out of this.

O'Garra stated that he feels that Wellons has not really been pushing this thing but it is to our advantage to get this piece of property so we can do what we want to do with it.

Alderman Christian stated that he spoke with Mr. Metcalf earlier and he definitely supports moving forward with it.

Mayor Rey said that I too think it is good and hopefully get the opportunity for the board to start entertaining in the future how we can create some potential tax incentive power zones and other ideas from what other communities are doing that will be beneficial to us and create some opportunities.

Allen Coats provided a power point with information on two types of meter reading technologies and the benefits. (AMR & AMI) which is automated meter reading or smart meters which have the capability to store data and relay the data electronically to a device or a fixed location in the town for generating billing. AMI (Advanced Metering Infrastructure) is where the meters talk to a fixed location and relay information back and you don't have to send anyone out in the field. AMI can allow you to pull up data from the office. The meters store the usage, readings, and information for a period of time and then transmits data

to a mobile computer or back to the main office. It can alert staff on potential leaks and sends signal back to office for notification. Some of the operational benefits to the system is it will reduce meter reading cost, improved billing accuracy, increased revenue, increased customer service, and increased theft of service detection. With this system we can adjust the philosophy for which we bill. We can get away from the 1000 gallon increment billing and get down to the 1 gallon increment billing. By implementing this system we can change the meters. The leak detection gives us more efficient billing and warns of highs or low flows in customer accounts. To date we have engaged an engineering firm, McGill & Associates who is working on our behalf trying to identify some grant money for this type of project. We are also in the process of acquiring a propagation study where a vendor goes out and determines for the AMI system how many repeat locations will be needed. This will determine the cost. Meter cost is fixed. The variable will be how many repeater sites will be needed based on terrain of town, elevation, etc. In 4 – 6 weeks we will have our propagation study done.

Alderman Christian agreed that this is great technology. He asked does it protect peoples billing & personal information. Are there safeguards in place? Coats stated that none of that information is available in radio waves. The only thing that goes over radio waves is a serial meter number and service address.

Alderman Higgins said I think this is great technology. Do we have any of our debt close to being paid off in our water & sewer system? Coats said that we do have some debt coming off in the next 3 – 5 years. Higgins stated timing is everything. I am trying to figure out how we can cut back on our water bills because there is a perception that they are very high. Is there an offset if we get this new technology? How many meter readers are we employing at this time? Coats said at this point and time we are employing three full time meters readers. What is your expectation there? Are we even that close to discussing anything like that? Coats said what I envision is the existing group of meter readers will get absorbed into the system and be utilized someplace else. We don't want to fire anybody because of technology, so then we would allow positions to diminish themselves over time through attrition.

The process of cutting water off would take personnel stated Alderman Higgins. Coats said that we could not get rid of all three meter readers. We would need someone to check for leaks and do turn offs.

Alderman Higgins said that he would ask and make recommendations that we look at all our other projects and prioritize.

Mayor Pro Tem O'Garra asked what impact might this have on my water bill? That would be part of the evaluation process that we present to you said Coats. This technology if implemented will get you a guaranteed 100% accuracy in your bill and leave no room for human error in the reading & billing process. The other thing is we will get rid of 1000 gallon increments and not have that roll over feature that we have in our billing now.

O'Garra asked who has the system that we can relate to? Coats said Cary, Southern Pines, Robeson County, and Sanford.

The cost of the system is in the meters. You have to change out our meters.

O'Garra said my question is our workers. We may have to get rid of one but we will need to keep two workers. Is this system going to make money? O'Garra said you are telling me that we will be able to measure by gallons. One of the other benefits of this system is that you will be able to change out a lot of old meters.

Alderwoman Sutherland inquired about personnel and stated that she wouldn't want to see any employee leave. Everybody needs their job so we need to take a look at that because they work hard.

Alderwoman Sutherland asked about the evaluations of the AMR. Have you had any feedback? How long have they been installed? Coats said I got to see it in N. Myrtle Beach about 14 years ago and everybody likes it. You can log in and see what your usage is. It is starting to become cost effective because the cost of the meters is coming down in price.

Mayor Rey asked if AMI/ AMR is a particular brand? Coats said no, they are generic terms. There are various vendors out there. These are the two competing vendors for us. It is Carolina Badger and Ferguson water works with Census.

Census is on the leading edge of technology. If the board decides to move forward with this project, we will put it out there to bid and get the best bang for our buck.

Mayor Rey asked, as we move forward, looking across the entire spectrum of all our projects that we have going on and the cost that we have out there over last couple of years we have spent our resources on upgrading the infrastructure of Spring Lake. We are at a point where we need to ask ourselves as a board where we want to be as a city? We have talked about being a smart city and embracing technology, so everything we do has to be centered around as we look at our resources and how are we going to be more efficient as a government and how are we going to embrace technology? I would ask the board to continue to keep an open mind on this and look for other resources to make this happen without going further in debt on projects that won't be able to pay for themselves.

Coats updated us on the financial software package. Updating our ERP system would take us to one system instead of running three. We would be able to do electronic approval of purchase request, pay invoices through ACH credit process, capture & store images of invoices, time & attendance software which will feed into the payroll process.

Coats said as the town of Spring Lake continues to grow we are trying to eliminate hiring more staff. The other feature available would allow paperless billing, citizen portal, code enforcement tracking, insurance & benefits, parks & recreation management software piece that integrates with this as well.

Alderwoman Lucas asked are these cost within range with other software packages. Coats said yes they are cheap for what's out there on the market today.

Alderman O'Garra asked would we lose workers? Coats said we are looking to become more efficient to reduce staffing needs in the future.

A guest invited by Mayor Rey, Mr. Jacobs introduced himself, shared and provided information to the board on traditional vs PC of water meter projects and explored issues with infrastructure. A one sheet handout was made available to the board members. Mr. Seneca Jacobs has been working in this area

implementing water meters with organizations in identifying resources that are out there. His company works in Hoke, Rocky Mount, & Robeson County.

Mayor Rey thanked Mr. Jacobs for his presentation and asked the board to think about and look at some other ways for us to pay for our stuff.

A motion was made to adjourn by Alderman Higgins and it was seconded by Mayor Pro Tem O'Garra. Meeting adjourned at 7:15 p.m.

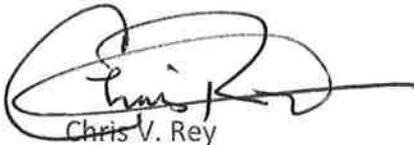
Respectfully Submitted,

Debora J. Hudson, Deputy Town Clerk



Debora J. Hudson
Deputy Town Clerk

ATTEST:



Chris V. Rey
Mayor