

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

January 13, 2014

MINUTES

6 p.m.

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

Board Members Present: Mayor Pro Tem James O'Garra
Alderman James Christian
Alderman Richard Higgins
Alderwoman Densie Lucas (arrived at 6:18 p.m.)
Alderwoman Fredricka Sutherland

Others Present:

Ken Metcalf, Town Manager	Tony Buzzard, Town Attorney
Allen Coats, Finance Director	Rosa Henegan, Human Resource Officer
Paul Hoover, Director of Public Works	Troy McDuffie, Police Chief
Gail Elder White, Recreation Director	Rhonda Webb, Town Clerk

1. Call Meeting to Order

Mayor Rey called the meeting to order.

2. Approval of Agenda

The Board approved the agenda.

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

Motion by: Alderman Higgins

Second by: Mayor Pro Tem O'Garra

Vote: Unanimous

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

3. Water Bill Information

Mr. Coats provided the Board with information regarding the water rates. His presentation included the General Fund and Water & Sewer Fund debt schedule which projects an increase due to street paving. He presented a comparison of the old and current water rates. He explained that the water system rounds down but eventually (every two to three months) the number will catch up. The only way to rectify this is to bill for exact gallons used and that would require changing every meter in Town. Alderman Higgins asked what percentage of the cost of running the system pertains to the purchase of the water versus the operations and capital outlay. Mr. Coats could not answer the question but stated he could calculate that and provide it at a later date. Alderman Higgins stated he believes everyone should pay to "have the system" and that cost should be distributed equally. The discussion included the fact that more than one-half of the citizens pay less under the current system than they were paying under the old system. Mr.

Coats stated when we determine what the cost to operate the system is going to be for the upcoming year we need to equalize the rates between the tiers. He also advised the upper 15% are the ones complaining and as we move forward in the process we need to see if we can equalize that a little. He also stated we need to keep in mind that as we lower the rate in one place we will have to increase it in another place because it is not a zero sum game. It was clarified that when a customer has a leak we are able to adjust the sewer portion of the bill and can adjust the water rate to the Town's actual cost. Customers can get a leak adjustment only once per year. Alderwoman Sutherland expressed concern about people having more than one leak in any given year and Mr. Coats assured her that the Town does everything we can to help the citizens.

Mayor Pro Tem O'Garra stated he is sincerely happy with the direction the discussions regarding water bills are going. He asked staff to look at the deposit amount. Mr. Coats stated he is currently pulling data to see if the deposit is generating the desired effect. He will bring information to the Board on this topic at a later date.

Mayor Rey asked about the collection rate and Mr. Coats advised on average it is 93% each month. He could not advise the industry average. Mayor Rey inquired if there is a system in place to catch people who skip out on their bill in one municipality and open an account in another municipality. Mr. Coats advised the company, Online Utility Exchange, we use to collect bad debt has the ability to track customers to ensure they pay the previous municipality before opening an account at a new location. The only problem with this is that both municipalities must use this company for the system to work.

Mr. Coats reminded the Board about the rate increase we received from PWC. We have not heard from Harnett County yet.

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

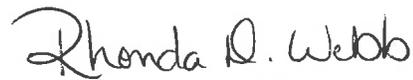
4. Adjournment

Action: There being no further business to come before the Board, the meeting was adjourned at 6:34 p.m.

Motion: Alderwoman Lucas

Second by: Mayor Pro Tem O'Garra

Vote: Unanimous


Rhonda D. Webb, MMC
Town Clerk



ATTEST:


Chris V. Rey
Mayor