

# 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 June 9, 2014. The meeting was called to order at 6:15 p.m. by Mayor Chris Rey.

### Board Members in Attendance:

Aldерwoman Fredericka Sutherland

Alderman Richard Higgins

Mayor Pro Tem James O'Garra

Mayor Chris Rey

Alderman James Christian

Aldерwoman Densie Lucas (Absent)

A budget workshop was given with the opportunity to answer any questions as it relates to the 2014-2015 budget. Mr. Metcalf asked the board members if they had questions?

Aldерwoman Sutherland asked about the potential six cents property tax increase. Ken said it would give us \$246,000 and bring the fund balance appropriation down to \$56,000. Aldерwoman Sutherland stated that she wasn't prepared to do a six cents tax increase.

Mr. Metcalf said that a one cent increase would be \$45,000 and with the county receiving their cut we would clear about \$41,000.

Alderman Christian asked Ken would he recommend the 6 cents increase. Mayor Rey said that if you do the 45 and then 41 cents you get about \$205,000 roughly. Alderman Christian said 5 cents would be a little easier to go with, well not for anybody but for raising money to balance the budget and to not have to take so much out of the general fund.

Mayor Rey asked the board, based off the budget submitted are there any changes or particular decreases in line items that you saw that could be changed or cut ?

Alderman Higgins said that I agree with you on the tax increase but I would not go below what it will take to pay for the additional fireman. The other thing that I see is the employee COLA for the first time in 5 years of 3%. I will not go with a COLA but I am in favor of a bonus.

Mayor Pro-Tem O'Garra said I feel a little bit different. I would like to wait until we have to really, really have to raise taxes. I looked through this book and I see, I hate to hit recreation and you guys have already told be to keep my hands off of the fire dept. The tennis courts, \$70,000. Ken said that will only be there if we get the grant. If we don't get the grant that \$70,000 will be coming out.

What would be a good figure for us to be okay? Ken said that the \$150,000 to \$200,000 is what we have been appropriating for the last 2 – 3 years. If we could do that then that would be super.

Mayor Rey said I have heard potentially 2 cent increase which would give us \$82,000, a 5 cent recommendation which would give us \$205,000, and then a 5 cent increase with no COLA.

Mayor Rey voiced his concerns. I think we all have made a commitment to safety and it is one of the places that we will continue to focus on and continue to fund. When you start talking about services that we provide, recreation & cutting out certain sports that we fund if we are not raising taxes. I am not prepared to do that because it affects the quality of life. The cost of doing business has gone up. We have additional debt coming up next year, loans and obligation, the U 4444 project. If we are at a deficit now, we are \$300,000 short. Next year we will pick up additional cost. Budgets submitted next year will go up. If we are not mindful of decisions today, it will impact us long term. The outlook for potential revenue coming in is not good. I would want this board to please consider 3 -5 cent increase which will decrease the \$300,000.

Alderwoman Sutherland said, I agree with Richard. We don't have what we don't have. We can't do a COLA, or we can do a COLA and do a RIF (reduction in force.) I am not prepared to give a COLA to the employees and then tax the citizens to have to pay for that.

Mayor Rey asked the board is there anything that the board sees that could be addressed or taken out? The decision that would need to be made is are we going to go ahead and transfer over the complete \$300,000 with the inclusion of the

COLA or remove the COLA and do a 1-5 cent increase and go from there or doing the 1 cent increase and the COLA.

Alderman Christian asked what would it take at a reduced COLA, say 1 ½ cent?

Ken said full COLA is \$110,000 with half a year being at \$55,000 as it is presented. If we go down to 1 ½ % it takes us down to \$27,500.

Alderman Higgins said that you were talking about RIFTS and we have taken some steps because we are not funding positions to save money. There are some things that we are doing that I am not comfortable with, such as not filling vacancies in the finance dept.

Mayor Rey said let me begin by putting out some numbers. I recommend a 4 cent increase with no COLA which will bring us in a little over \$164,000. It would generate \$180,000.

Alderman Higgins asked can we put the bonus contingent upon receipt of the sale of the property?

Alderwoman Sutherland said that the 4 cent sounds better than 6 cent. I am not a fan of a tax increase. Mayor Rey said that I understand that it cost more to do business and that we have cut all that we can unless we are prepared to make harder decisions and cut services. Alderwoman Sutherland asked what is 4 cent per \$100.00? Alderman Higgins said \$40.00 per year, about \$2 or \$3 per month.

Mayor Pro Tem O'Garra asked Allen how much longer we have to pay Fayetteville \$180,000 for the annexation. Allen said it was a 15 year agreement.

Alderman Christian said that he would support the 4 cent tax increase without the COLA. I do support bonuses in December.

Mayor Rey stated that if we earmark the money from the sale of the property that will be money that we will be available to pay for the bonus for the next 3 – 4 years. Those bonuses would also be contingent of the town's financial health. Ken said that if the land doesn't sell then we won't have the money for the bonuses.

Alderwoman Sutherland, Alderman Christian, & Alderman Higgins came to a consensus to raise taxes by 4 cent with no COLA for the employees.

Mayor Rey stated that we spent about seven million in upgrades last year. We are trying to make sure our police department stays fully staffed and that the fire department meets the statutory obligations. We really need to consider our options, so I am asking the board to take a look at the budget and see if you can

find close to \$300,000 that we need to cut from the budget in order to be balanced.

Alderwoman Sutherland asked if the decision needed to be made tonight? Mayor Rey said no. Mayor Pro-Tem said that he is not ready for a tax increase.

Alderwoman Sutherland asked about cutting out the COLA and no tax increase where would we be? Ken said we would be at about \$245,000.

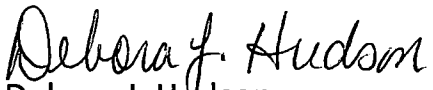
Mayor Rey said we need to cut \$150,000 from the budget and then we can appropriate \$150,000 from the general fund to be balanced. Mayor Pro-Tem O'Garra said that we need to cut the fire department because that is a big part of it. The fire department's budget was reviewed. The part time positions requested total \$272,000. Mayor Pro-Tem O'Garra said he just feels that we can cut this down.

Mayor Rey said that a recommendation from a board member has been made to go back and look at the fire departments budget.

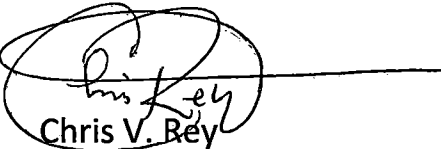
Alderwoman Sutherland said that I'm not prepared to put the citizen's life at risk. Mayor Rey suggested that board members go back through the budget and go thru line items and identify \$150,000 and be prepared to present at the next meeting.

A motion was made to adjourn the meeting. The motion was made by Alderman Christian and it was moved and properly seconded by Mayor Pro Tem O'Garra.

Meeting adjourned at 7:15 p.m.

  
Debora J. Hudson  
Deputy Town Clerk

ATTEST:

  
Chris V. Rey

Mayor