

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

May 13, 2013

MINUTES

5:10 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 Napoleon Hogans
Alderman James Christian (arrived at 5:14 p.m.)
Alderman Richard Higgins
Alderman James O'Garra
Alderwoman Fredricka Sutherland

Others Present: Ken Metcalf, Interim Town Manager
Allen Coats, Finance Director
Paul Hoover, Director of Inspections
Troy McDuffie, Police Chief
T.J. McLamb, Fire Chief
Tina West, Human Resources Director
Rhonda Webb, Town Clerk

The purpose for this meeting was to give the Board an overview of the FY 2013-2014 budget and where we are currently.

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

Budget Overview

Mr. Coats provided the Board with an overview of all Funds Expenditures and Revenues. He advised public safety makes up one-half of the Town's budget. General Fund is approximately \$7.7M. The Water and Sewer Fund is approximately \$3.5M. The Stormwater Fund is approximately \$302,000 and the Sanitation Fund is approximately \$620,000. He advised the knuckleboom truck is going to have to be replaced in FY 2014-2015. Mr. Coats reviewed the Capital Outlay requests which equal \$99,000 for the General Fund and \$23,200 for the Water and Sewer Fund.

Board inquiries included:

- Information on department requests versus the Manager recommendation and how that process works. Also, why the Board does not weigh in on these requests and the need to ensure these requests are tracked and looked at seriously. It was clarified the Board will see the department requests and the Manager's recommendations for each department when they receive their budget document at the end of the Month.
- What criteria determine when police vehicles are replaced? It was clarified we ideally

replace three or four vehicles each year. The Board requested to see a list of all vehicles and their current mileage so they will have a clear understanding of future vehicle requests. Mr. Hoover advised the Town has a standard which includes mileage, current status of the vehicle's operation, and if broken, the value of maintenance versus replacement. The Board would like to see a rotation policy in place. Chief McDuffie stated he list the specific vehicles that will be rotating out with his budget requests.

- How will the vehicle property tax work with the new system? Mr. Coats advised the property taxes on vehicles will have to be paid before you can renew your tag for your vehicle. Spring Lake receives all vehicle taxes minus a small administrative fee.
- What was the General Fund balance at the end of the last accounting period? Mr. Coats advised it is approximately 20+% which equals to just slightly over \$1M. He advised we expect the Fund balance to remain the same this year. It was also asked why we need a tax rate of .66 if we have \$1M in Fund balance. Mr. Coats explained that the Local Government Commission requires Town's to maintain a Fund balance of at least 8% of the prior year's expenditures. Mr. Coats further explained that 8% is a minimum and the State recommends Town's our size should strive to maintain a Fund balance of 40+ %. He also explained that Fund balance should be used for one time expenditures only and not for operating costs.
- Will we use Fund balance this year to balance the budget? Mr. Coats stated there is Fund balance appropriation in the current year and we will request a Fund balance appropriation again in the upcoming year but will keep it to no more than \$150,000. Typically we do not use all of the Fund balance that is appropriated. Fund balance should be considered the "rainy day" fund or emergency fund.

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

Apparatus Replacement Plan

Chief McLamb presented a plan to replace fire apparatus. He advised Spring Lake can no longer perform Trench rescue due to manpower. We have a mutual aid agreement with Fayetteville to perform Trench rescue and the Trench trailer is now surplus equipment. The Fire Department also has a 2000 Ford F-650 Service/Rescue truck that is surplus. He is proposing to create an apparatus replacement plan and to also create a fund to place revenues from surplus sold until such time that enough revenues are generated to purchase other apparatus. He would like to take the \$31,000 from selling the Manchester truck and the revenue generated from selling the 2000 Ford Service/Rescue truck and the trench trailer and put that revenue toward a used rescue truck. He requested the Board authorize the Fire Chief to negotiate for a used rescue truck, not to exceed \$200,000. He provided the Board with a Capital Outlay replacement plan. Mr. Coats advised some of the \$200,000 will come from the sale of the previously mentioned surplus equipment. The remainder of the cost for the used rescue truck will either come from Fund balance or will be borrowed. This will be something that will be brought back before the Board in the future for the Board to decide.

There was concern expressed about doing this in the current year and asked if this would wait for next year's budget. Chief McLamb stated he could get by but expressed strongly the need for getting the rescue truck. He stated they are suffering and what they currently have does not facilitate the operations of the department.

(A copy of the workshop PowerPoint presentation is hereby incorporated by reference and made a part of these minutes – see attachment three.)

Adjournment

Action: There being no further business to come before the Board, the meeting was adjourned at 6:52 p.m.

Motion: Alderman Higgins

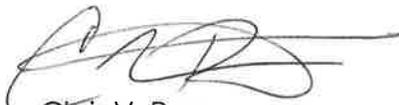
Second by: Alderman O'Garra

Vote: Unanimous



Rhonda D. Webb
Rhonda D. Webb, MMC
Town Clerk

ATTEST:


Chris V. Rey
Mayor