

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

May 23, 2016

MINUTES

5:44 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 Larry Dobbins
Alderman James Christian (arrived at 6:27 p.m.)
Alderwoman Densie Lucas
Alderman James O'Garra
Alderwoman Fredricka Sutherland

Others Present:

Tad Davis, Town Manager	Tony Buzzard, Town Attorney
Byron Blumenfeld, Director of Water Resources	JC Combs, Assistant Recreation Director
John Kleinert, Director of Streets, Grounds and Sanitation	Paul Hoover, Director of Public Works
Troy McDuffie, Chief of Police	T.J. McLamb, Fire Chief
Claiburn Watson, Finance Director	Rhonda Webb, Town Clerk

1. Call Meeting to Order

Mayor Rey called the meeting to order.

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

2. Invocation

Mayor Rey gave the invocation.

3. Pledge of Allegiance

Mayor Rey led the meeting in the pledge of allegiance.

4. Business

a. Overview of Current Economic Situation

Mr. Davis provided the Board with an overview of the current economic situation. He provided them with a matrix showing a comparison of municipalities with similar population to Spring Lake. He showed the Board that Spring Lake's assessed valuation is much lower than other municipalities of similar population and our tax rate is much higher. This was done to give the Board an idea of where we stand against other areas. It was noted that the assessed valuation of property in Spring Lake impacts our tax rate. Alderman O'Garra suggested we create a committee with the purpose to brainstorm ways of increasing our revenues. Alderwoman Sutherland stated she is happy with her hometown and she loves her neighborhood and her neighbors and does believe we can do better but we should not be compared to the other municipalities because our demographics are different. Mayor Rey clarified that we need to increase the value of the homes that we have and work toward bringing new neighborhoods to our community. We need to work with the Economic Development people to work toward this.

Mr. Davis also provided the Board with information on the number of inspections and how low they are as compared to years past and stated the outlook is not good for the rest of this year and most likely part of next

year but he believes we will see an uptick on activity with the next 24 months.

(A copy of the matrix and number of permits issued sheet is hereby incorporated by reference and made a part of these minutes – see attachment two and three.)

b. Preliminary Budget Projections, FY 2016-2017

Mr. Davis provided the Board with an overview of the current Fiscal Year and the preliminary 2016-2017 Fiscal Year for the General Fund and the Water & Sewer Fund. For the General Fund the shortfall before final cuts were made was \$1,053,077 and the shortfall in the Water & Sewer Fund before final cuts were made was \$524,923. The final numbers are very close to the current year's budget which indicates no growth for the upcoming year. Alderwoman Sutherland stated that we need to make sure we do not come back with budget amendments during the course of the year that were not considered during this budget time. Mr. Davis advised the quarterly budget reviews during this past year helped staff and the Board to stay within their budget and helped shed some light on exactly where we are at all times.

c. Preliminary Major Budget Expenditures for FY 2016-2017

Mr. Davis provided information on the major budget expenditures, showing that employee's salaries and benefits equal about one-half of the total budget amount. He also shared un-programmed debt service for the U-4444b roadway project that will have to be paid in the upcoming year. He is working to extend the debt service from three years to four years to try to bring the amount down.

d. Major Changes in FY 2016-2017 from FY 2015-2016

Mr. Davis highlighted several budget changes that he expects in the upcoming year. He expects to fill authorized positions more consistently. We are going to see a 9.4% increase from Blue Cross/Blue Shield for the employee's medical benefits. We will have to pay \$65,000 for the economic incentive to Courtyard by Marriott. We propose to pass the water rate increase of 4.72% on to water customers. A water rate study is included in the budget should the Board decide to move forward on this. The LED Street Lighting initiative will reduce usage by \$10,000 and the Xerox Copier/Printer initiative will save the Town approximately \$7,000. The Greater Spring Lake Chamber of Commerce contract for \$35,000 is included. The Board expressed concern with making sure we get the reports that are required by the contract with the Chamber of Commerce for economic development services. They expressed no desire to approve a water rate increase at this time.

e. Overview of Sample Employee Salary and Benefits

Mr. Davis provided the Board with a sheet showing employer/employee fringe benefits cost and explained what the Town pays for an employee and what the employee pays. This showed what the employee's value is to the Town and what the employee receives from the Town. This information included the health insurance costs to include an approximate increase of \$50.00 per employee paid by the town for the upcoming year.

(A copy of the supporting documentation is hereby incorporated by reference and made a part of these minutes – see attachment four and five.)

f. End of Year FY 2015-2016 Fund Balance/Unfinanced Requirement Funding

Mr. Davis advised we expect to put approximately \$150,000 back into Fund balance for the General Fund, \$176,825 into the Water & Sewer Fund, \$41,235 back into the Storm Water Fund and \$29,000 back into the Sanitation Fund. He proposes to use \$232,362 to pay for unexpected requirements that were not originally included in the current budget such as the PARTF Grant, FAMPO Grant Sidewalk Initiative, Fire Department FEMA Grant, Senior Center Replacement Van, Police Department Radios, IT Software, Police Department SWAT Team Gear, Mendoza Park Walking Trail Repair and Extension, Town Gateway Signs and the contribution to the Spring Lake Chamber's July 4th Celebration. These items are things that we know we need

to execute but we will most likely not have the funds in next year's budget to do so. This list is a proposed preliminary list. Actual expenditures will be brought to the Board for approval closer to the end of the fiscal year. He stated the numbers given are very conservative and will have the exact amounts at the end of the year.

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

g. Increased Cost of Water/Sewer

This item was not discussed due to time constraints. However, Mr. Davis did advise the proposed budget does not include a water rate increase.

h. Compression Study

Mr. Davis recommended tabling this item to next year due to the health insurance increase.

i. Rate and Fee Schedule Revisions (to be provided)

The Rate and Fee Schedule will go out to the Board with the budget. The proposed budget does not include rate and fee increases proposed by Department Heads.

5. Adjournment

Action: There being no further business to come before the Board, the meeting was adjourned at 6:58 p.m.

Motion: Alderman Christian

Second by: Alderman O'Garra

Vote: Unanimous



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

ATTEST:


Chris V. Rey
Mayor