

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

November 5, 2012

MINUTES

7:00 p.m.

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

Board Members Present: Mayor Pro Tem Napoleon Hogans
Alderman James Christian
Alderman Richard Higgins
Alderman James O'Garra
Alderwoman Fredricka Sutherland

Others Present:

Tommy Burns, Town Manager	Tony Buzzard, Town Attorney
Byron Blumenfeld, Water Resource Manager	Allen Coats, Finance Director
Paul Hoover, Public Works Director	John Kelly, Director of Inspections
Troy McDuffie, Police Chief	T.J. McLamb, Fire Chief
Tom Spinks, Inspections Department	Rhonda Webb, Town Clerk

2. Invocation

Alderman Higgins gave a nonsectarian invocation.

3. Pledge of Allegiance

Boy Scout Troup 772 and Girl Scout Troup 3373 led the meeting in the pledge of allegiance.

4. Approval of Agenda

The agenda was approved.

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

Motion by: Alderman Higgins

Second by: Mayor Pro Tem Hogans

Vote: Unanimous

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

5. Approval of Minutes of October 22, 2012 Regular Meeting

The Board approved the Minutes of the October 22, 2012 Regular Meeting

Action: The Board approved a motion to approve the minutes of the October 22, 2012 regular meeting.

Motion by: Mayor Pro Tem Hogans

Second by: Alderwoman Sutherland

Vote: Unanimous

6. Public Forum

No one spoke at the Public Forum.

7. Presentation from Beverly Davis Cancer Ministry

Ms. Davis stated the Beverly Davis Cancer Ministry wanted to give Ms. Becky Booth a love donation from the Cancer Ministry. She thanked several members of the Board and staff for helping with the Cancer Walk. Mayor Rey and Ms. Davis presented Ms. Booth with a donation from the Beverly Davis Cancer Ministry.

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

8. Presentation from Spring Lake Optimist Club

Mayor Rey and Alderman O'Garra presented the Boy Scouts with a check for \$200, the Girl Scouts with a check for \$200, Manchester Elementary School PTO with a check for \$200, Teens Do Care with a check for \$200 and Dr. Aziz with a check for \$100 from the Spring Lake Optimist Club for the contributions they make to the community.

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

9. Resolution (2012) 33, Petition for Annexation, Paramount Investments Property, Chapel Hill Road

Ms. Webb advised Paramount Investments Property has petitioned for non-contiguous annexation on Chapel Hill Road. She requested the Board approve Resolution (2012) 33 to direct the Clerk to investigate the sufficiency of the petition, direct staff to conduct a feasibility study and authorize the Clerk to set the Public Hearing date if all is found to be in order.

Action: The Board approved a motion to approve Resolution (2012) 33, Petition for Annexation.

Motion by: Alderwoman Sutherland

Second by: Mayor Pro Tem Hogans

Vote: Unanimous

(A copy of the agenda memo, petition for annexation, deed, map and Resolution (2012) 33 is hereby incorporated by reference and made a part of these minutes – see attachment four.)

10. Appointment, Spring Lake Recreation Advisory Committee

Mr. Metcalf requested the Board approve appointing Regina Xadu to a regular position on the Spring Lake Recreation Advisory Committee from the current alternate position she holds on the committee.

Action: The Board approved a motion to follow staff's recommendation and appoint Ms. Xadu to the vacant position.

Motion by: Mayor Pro Tem Hogans

Second by: Alderman Christian

Vote: Unanimous

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

11. Resolution (2012) 34, Authorizing Tentative Award for Wastewater Treatment Plant Rehabilitation Project

Mr. Blumenfeld requested tentative approval for the wastewater treatment plant rehabilitation project.

Action: The Board approved a motion to approve Resolution (2012) 34 authorizing tentative award for the wastewater treatment plant rehabilitation.

Motion by: Alderman Christian

Second by: Alderman Higgins

Vote: Unanimous

(A copy of the agenda memo and Resolution (2012) 34 is hereby incorporated by reference and made a part of these minutes – see attachment six.)

12. Budget Amendment 2013.8, WWTP

Mr. Coats presented Budget Amendment 2013.8 to budget funds from Clean Water Management Trust Fund for phase 1 of the wastewater treatment plant rehabilitation project. This Budget Amendment is associated with Resolution (2012) 34.

Action: The Board approved a motion to adopt Budget Amendment 2013.8.

Motion by: Alderman Higgins

Second by: Mayor Pro Tem Hogans

Vote: Unanimous

(A copy of the agenda memo and Budget Amendment 2013.8 is hereby incorporated by reference and made a part of these minutes – see attachment seven.)

13. Discussion, Ordinance Review, Signs in Public Right-of-Ways

Mr. Hoover provided the Board with an overview of the Ordinances governing signs in public right-of-ways and explained what is allowed and what is prohibited. He emphasized all signs must be set back a minimum of 5 feet from the public right of way and on private property, even if an exception is given.

Alderman Higgins inquired about using vehicles as signs and how that is handled by the Town. Mr. Hoover stated this would fall under the portion of the Ordinance that addresses portable signs. Alderman Higgins also expressed concern about the type of temporary sign such as the one Rose Buffet erected when they had their grand opening. Alderman Higgins stated he understands business want to promote events for their business but the Town should have some standards they must meet in doing so. Mayor Rey suggested staff research the language needed to correct this type of situation and at that time the Board will decide if they want to allow portable signs.

Alderman Christian inquired about old signs such as the Western Union sign that are unattractive. Mr. Hoover stated this is the owner's responsibility and falls under Code Enforcement. There is a 30 day time limit and written notice required.

The Flea Market sign was discussed and it was clarified their sign is an illegal sign.

Alderwoman Sutherland clarified that we do send out letters to owners to give them a chance to rectify sign problems and stated that we need to follow our rules. She requested clarification about political signs and it was clarified moving another's political signs is a state law. It was also clarified that temporary church signs are allowed under the existing Ordinance and a permit is required.

Alderman O'Garra expressed concern about church signs and inquired if there is a way to work out some adjustment for churches. Mr. Hoover stated on Town owned streets we have the authority to make adjustments but not on DOT roadways. He stated we would still need an Ordinance amendment to allow this and churches located on DOT roadways would need to obtain DOT approval.

The Board's consensus was to bring back Ordinance amendment changes at a later meeting.

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

14. Discussion, Ordinance Review, Minimum Housing

Mr. Hoover provided the Board with an overview of the Ordinances governing housing code enforcement and explained what is allowed and what is prohibited. He stated North Carolina General Statutes gives the Town the authority to repair, close or demolish dwellings that are unfit for human habitation. He provided the Board with the top seven structures the Inspections Department deems uninhabitable and are a priority for upcoming action. There was a discussion about properties located in the County that need to be addressed. The discussion included the possibility of attending a County meeting to show them the blight and request their help with Ordinances to address the housing code issues. Mr. Hoover stated because of limited resources, the Inspections Department must strategically tackle these cases so as not to over burden the budget. Mr. Buzzard added the process is slow at times because it is difficult to identify owners and this can become costly. He is working closely with the Inspections Department to resolve these issues one by one.

Alderwoman Sutherland inquired about the process for recouping the money for structures the Town demolishes. Mr. Hoover stated if the Town cannot obtain payment from the property owner, a tax lien is placed on the property. When the property is conveyed, the Town receives a distribution from the sale but if the property does not sell, we do not receive anything. Mr. Buzzard clarified this process is technically not a tax lien. It takes the same effect as a tax lien and is recorded in the same way, but it is not a tax. He stated we may not be able to go after the person, but the Town could eventually foreclose on the property. Commercial structures were discussed and Mayor Rey suggested staff create a priority list of structures near the entrances of Spring Lake and stated we may want to look at our legal strategy of foreclosing on properties that we have cleaned and not recovered the costs.

Mr. Burns stated the Town's goal is when we take down a structure we ideally would like to have two or three new homes to replace the one. The down side is decreased revenue. When you take a structure off a property it is then taxed as a vacant lot with no structure attached.

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

15. Discussion, Ordinance Review, Code Enforcement

Officer Bronson provided the Board with the procedures he follows to deal with grass cutting, junk vehicles and junk in the yard.

Alderman Christian inquired about soldiers who are deployed and how we handle this type of situation.

Officer Bronson stated he tries to find the person who was left to oversee the soldier's home and work with them to rectify the situation.

Alderman Higgins inquired about the success rate of getting rid of junk vehicles. Officer Bronson stated the success rate currently is low but he recently attended classes that gave him knowledge to handle this type of situation differently and he feels he will begin to have a higher success rate. Alderman Higgins also inquired about garages that seem to take in vehicles but never gets rid of any and inquired how we handle this. It was clarified this is more of a zoning issue.

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

16. Discussion and Possible Action, Computer Tablet Implementation for Paperless Agenda, Resolution (2012) 35

Ms. Webb explained the process for computer tablet implementation and requested the Board approve Resolution (2012) 35 to set the guidelines and give property authority to handle the monetary part of the implementation.

Action: The Board approved a motion to approve Resolution (2012) 35 for computer tablet implementation.

Motion by: Alderwoman Sutherland

Second by: Alderman Christian

Vote: Unanimous

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

17. Closing Comments.

Alderman Higgins

- Welcomed everyone to the meeting.
- Thanked staff for the information.

Alderman O'Garra

- I am responsible for all those signs outside and I will pick them up tomorrow night.
- Greater Spring Lake Public Safety Foundation's First Annual Golf Tournament was held this past Friday. It brought in \$6,877.36. This is to support our Police and Fire Departments.

Mayor Pro Tem Hogans

- Need to take another look at the water bills. I have had a number of complaints about this. I'm not sure if we have a data problem or meter reading problem but people's water bills are going up exponentially and we need to see what the issue is. I'm not sure we can do anything about it but we need to rectify whether or not we are doing what we said we are going to do. The data that was presented to the Board said the average citizen would be held harmless with the rates that would be implemented. From what I am hearing, that is not the case. I cannot say whether it is or it's not but what I can tell you is there are a number of complaints coming from citizens and we need to do a relook. Alderwoman Sutherland has been pushing this also. I started hearing complaints about it right after we implemented the new system and I asked the Manager at that time to go back and re-evaluate the data that was presented. He looked at it and reported to me that from what he thought at that point that no bill increases took place; but these complaints are still coming. I know staff is doing a lot and I appreciate all your efforts.

Alderman Christian

- Just to comment, I do not recall us ever saying bills wouldn't go up, that they would stay the same. I think that was understood they would go up but how much though is probably in question. Just keep in mind too, we still have a lot of infrastructure projects that we need to upgrade to our streets.
- It is good that we are moving forward with Improvements to the wastewater treatment plant. That is part of the reason for the increased rates on our water bills. But it is worth exploring again and know that we don't ignore what our residents are saying and it is good to see that.
- Former Board Member Debora Hudson's grandmother passed away this past week, she was 105 years old.
- Glad to see everyone out here.

Alderwoman Sutherland

- Thanked everyone for being at the meeting tonight
- Thanked the employees for the hard work that you do.
- Thanked Ken and the Optimist Club for all they do for the community. She inquired about how someone can join the Optimist Club. She stated she wants to know the proper procedures for joining the Optimist Club because she and another citizen tried to join and were told they had not been voted in. Mayor Rey stated the Optimist Club is a private organization and that would be something she should discuss with them and not in a Town Board meeting. She stated there are some citizens who want to know as well and for the record she wants to know publically if they can join. Mayor Rey again requested this type discussion happen "off line" and not in a Town council meeting. Alderwoman Sutherland stated she will talk with the attorney and asked the attorney to comment. Mr. Buzzard stated he does not know what kind of club it is and stated he will speak with Mr. O'Garra after the meeting to find out more about the club. Alderwoman Sutherland again requested the proper procedure for joining the Optimist Club be made know to the citizens.
- The water bills are an issue for me as well and I believe we need to utilize the bond referendum to upgrade the infrastructure. We do need to revisit the water bills. She stated she has talked with three or four senior citizens whose bills have doubled since July. Mayor Rey clarified the bond referendum is not money sitting in the bank. The money has to come from somewhere, whether it is from a loan, the State or the citizens, the money has to come from some other locale. Folks need to make sure they are aware when you talk about the Bond Referendum this is not just a pool of money sitting in a bank somewhere. It is actual funding that we would have to go out and seek, loans that the Town would have to take out and would still have to be paid back.
- Everyone should be treated equally and fairly, regardless of what. I do not believe in cliques and I believe if we are going to have a community we should all try to get along and work together to better our town and our citizens. That is just how I stand on different things. I think knowledge is the key and citizens should know exactly what we are doing at Town Hall.

Mr. Burns

- To help clarify the water rates, we briefed these water rates about three different times during our budget workshops. We showed the Board graphs with tiers. We had it tiered by 1000 gallon increments and based on the data we provided we said that 48% of the Town used 4000 gallons of water or less. That tier of folks should not have seen an increase. The increase was for the upper tiers for two reasons: one, we had to raise capital for debt and two, we are trying to encourage conservation measures. The issue with the Bond Referendum is a bond was passed in 2000 by the voters of the Town for some of these same projects, one of which we voted on tonight and I would not be a good fiduciary steward of the Town's money if I recommended to the Board to use Bond funding at 4% and 5% interest when we are currently obtaining loans from the State at 0% interest. I

think knowledge is the key and I think we have got to educate ourselves about the issues. That is what I have tried to do and I hope I have done that to your satisfaction. We will brief the water rates and water deposits again at our meeting on the 19th. We will also brief the capital needs of the Town and the debt financing requirements. We will do some present value calculations for the Board to see how these projects will be amortized over the next 15 years of the pay back. We will provide you some inflationary cost measures about how to sustain this system going forward. What I don't want the Town to do is get in a situation like a neighboring town where the capital needs of the town were so overwhelming that they had no choice but to sell the system. If that becomes an option at some point down the road, then we need to know that so we can keep moving forward. These are projects that are absolutely necessary to keep the system operating. The Wastewater Plant has been under observation on two different occasions in the past from the State Environment and Natural Resources folks. The only reason that plant is still operating is because we told the State that we were going to provide a means to upgrade this plant. We were going to modernize it, we were going to change all our process and upgrade the electrical panels, screens and grit systems. The only reason that plant is still operating is because we provided a capital plan to the State that said we are going to fix these problems and that's what we have worked diligently to try to do. At times we have felt like we were up against the wall from regulatory agencies who did not want to see that plant operate. We have worked through all that and I have used my relationships with the State and Federal officials, as well as our water resources folks and I believe it is worth our while to continue to move these things forward but I could not come and recommend using any bond authorization. I do not even know if we could sell the bonds at a favorable rate for the Town and every loan we have received up to this point has been 0% interest or low interest. Our fiduciary responsibility is to provide the Town a means to get the greatest possible rate of return on their investments and their investment is in our infrastructure. At the 19th meeting we will show the Board the reasons why we recommended these things and discuss options for lowering the rates. Two of the three projects that we have recently bid have come in substantially under budget and all of these things will factor into rate recommendations when we go into our next budget cycle.

Mayor Rey

- Thanked everyone for being here and for all the information provided tonight.
- Veteran's Day Ceremony is scheduled for Friday, November 9, 2012 at 10:00 a.m.
- Look forward to the information as we address some of the water concerns that are out there.
- Again I want to make sure the folks understand the Bond Referendum that was approved by the Town just means that the Town has the authority to go out and take a loan out. That loan would be at 5% or 6% interest. Please remember and understand that loan still has to be paid back and which means that cost would be passed on to the citizens which would mean the rates/costs would be a lot higher than what the rates are right now. I think staff has done a great job of making sure we do the best that we can to provide the best projects at the best cost based on the low interest loans that we are getting. Please know that we are working very hard to make sure we find the best financing that we can and hoping that because some of the projects are coming in under budget that will mean we can lower rates. We ask for your continued patience as we try to make sure we build out the infrastructure of the Town.

At this time Ms. Regina Xadu requested to make a presentation. She did not realize the meeting started at 6:30 p.m. and missed the presentation for Ms. Booth. Ms. Xadu stated some folks in the community raised over \$100 to help Ms. Booth.

18. Adjournment.

Action: There being no further business to come before the Board, the meeting was adjourned at 8:25 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