

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 May 29, 2014. The meeting was called to order at 6:15 p.m. by Mayor Chris Rey.

Approval of the Agenda: Mayor Rey asked for a motion to approve the agenda. Alderman Christian made the motion to approve the agenda. It was moved and properly seconded by Alderwoman Lucas. Motion was carried.

Board Members in Attendance:

Alderwoman Fredericka Sutherland

Alderman Richard Higgins

Mayor Pro Tem James O'Garra

Mayor Chris Rey

Alderman James Christian

Alderwoman Densie Lucas

Mr. Metcalf gave a brief presentation of the 2014-2015 fiscal year budget. Last week we were about \$610,000 off from being balanced. After several meetings, we come back to you and several cuts later we can have a decent conversation. The \$610,000 has now been reduced to \$381,000. If we had to pass the budget tonight you would be doing a fund balance appropriation of \$381,000.

Ken said the biggest difference from last year is the request from the fire department, previously committed debt, especially street paving and at the board's request, the COLA.

Mayor Rey asked if the \$381,000 included the 3% COLA. Ken stated it is included across the board, to include board members, dept. heads and all beginning Oct. 1st. The Oct. 1st start date will give the town a savings of about \$28,000.

Mayor Pro-Tem asked what was last year? Ken said this current year is \$271,848 thru June 30th. One reason it went down is because we moved IT stuff into a separate location and we trimmed some line items. The major component is IT.

Mayor Pro-Tem O'Garra said that he would like to see how IT affected this. Ken said the administration current year, the year we are in right now is \$271,848 and the proposed is \$ 238,975 with a difference of \$32,873 to the negative.

Ken stated that we are going to hold out on Mr. Coat's position for half a year and that will save us about \$51,000. You will see lapse salaries and vacant positions are a good way for us to save some money this year. This includes all departments to include public safety. Finance is down \$94,115. Also in finance we do have a vacancy with one of the Accounting techs and we are filling that with a temp. We have advertised for this position so we will see some lapsed salaries there. Also, Ms. Jennifer is leaving us so we are going to show some lapsed salaries there as well.

Governing Body

There is a modest increase of \$4900. The current year is \$140,947 with a proposed amount of \$145,883. We have proposed to cut travel budgets. Example: Mayor's travel budget is \$ 5200 and we are recommending \$4500. For board members it was at \$2700 and we have dropped it back to \$2000. Mayor Pro-Tem O'Garra asked what are the chances of us going down a little lower than that, maybe \$1,000? Ken said that it is a board decision and if you want to cut more it is up to the board. Alderwoman Sutherland stated that in order for us and our knowledge to grow it still needs to be there for us to utilize and to keep us up with other municipalities. Ken said keep in mind that travels & training across the board have been cut in every department.

Alderwoman Sutherland stated that she doesn't think there should be cuts to police and fire. I think they should continue to go for training. I don't want to get back into the same situation as before where they are not properly trained.

Ken asked could we get a consensus from the board about the travel cuts.

Human Resources

We are at \$102,891 with a modest decrease of \$800. Some of it is in travel & training and the programming part.

Inspections

We have a modest increase from \$228,026 to \$233,814 with a difference of \$5800.

Mayor Rey asked, why the increase? Ken said we have an additional person in there this year, they have to maintain certificates, and we are going to have uniform requirements, so that may be a part of it.

Communications & IT

This current year is at zero and everything is separated by department and we have lumped quite a bit into one central area.

Alderman Higgins asked for a breakdown on the \$135,509.00. Ken stated that a lot of it is the telephone contract which is \$20,000 – \$25,000 currently under administration and has been moved under IT.

Alderwoman Sutherland asked as far as IT, when Carrie gave her presentation about the phones and being able to communicate, is that in this budget? Ken said, it is not proposed in this budget. Mayor Rey then asked what was the presentation for? We can do whatever the board wants but that money has not been budgeted. It will increase our budget by less than \$10,000. Mayor Rey said we will have to come back and revisit this. Alderman Higgins said that I don't think it is a high priority for department heads. Mayor Rey said that we would increase the budget by \$8,000. We have too many young families, it's the future. Mayor Pro-Tem O'Garra said let's come back to it. Ken said that I would have to emphasize that this is less than \$10,000 and we can put it in. Alderwoman Sutherland said that I think we should and that would be something positive moving forward that we can make happen. Ken asked for a consensus that we put money back in there either under IT or under each individual department. Lucas, Sutherland, & O'Garra said yes. The Mayor said we have a consensus of three, let's find the money and stick it back in there.

Planning & Code Enforcement

Current year is at \$71,496

Proposed next year is \$66,495

The reason for the decrease is some of our money for county planning hasn't been spent in the last 3 – 4 years and it is also where we have the chamber money for economic development.

Alderman Sutherland asked what is the \$25,000? It is \$35,000 for this current year and that is what we are recommending. How much was utilized last time for ED? Ken said \$35,000. Was everything used asked Alderwoman Sutherland? Ken

said I signed off on an invoice today and I think that was the last payment for the chamber.

Public Building

Current year -\$191,122

Proposed -\$160,667

A lot of sod, seeds, and fertilizer cut from that. There was \$20,000 just for sod and that was cut. Alderwoman Sutherland asked where was the sod going to be? Ken said in different areas around town as the need arises.

Public Works Admin

Current Year \$ 212,824

Proposed -\$ 221,845

Difference -\$ 9,000

Alderman Christian asked what's the increase for? A lot of this is in the COLA, the modest increases are going to the department and that could be a good bit of that. Alderman Christian asked for specifics to all these departments that some of us have been asking for.

Alderman Higgins asked what was the increase to our health insurance this year? Ken said that we budgeted 10% but it came in at 9.1% which equates to \$50,000. Mayor Rey said that one of the things that he is going to take a look at is finding out from other municipalities about pooling all of our insurances together into one big number. Tina said that we do that with property and liability and workers comp through the league of municipalities and Blue Cross Blue Shield is a stand alone. Mayor Rey said he would like to see what our rates would look like if all 9 municipalities were together. Allen said that Cumberland County is self funded and they take care of themselves in house.

Recreation Parks/Senior Center

Ken stated that none of the cuts affect programs but we did discover some part time errors in salaries that were supposed to be moved to different areas but we have made that correction and that money will not be spent this current year and we have deleted that error for next year. Training & travel money has been cut, equipment wants or needs have been cut but we are rolling the dice on some potential AC needs at the senior center and recreation center which is not included in this budget. Ken said both units are in bad shape. We could justify

replacing them right now but we are going to keep going and continue making repairs until they just give out. Mayor Pro-Tem O'Garra asked are they breaking down frequently and when they break down next year will we be able to find the money to fix them? Ken said that there will be money for repairs but we may come back to the board and say they need to be replaced.

Alderwoman Sutherland asked if there is an estimate for replacement? Gail said that it would be about \$14,000 to replace both units.

Street Department

Current year- \$ 416,294

Proposed - \$453,157

Alderman Higgins asked if the debt service is included in the \$453,157? Ken said no. Alderman Higgins said actually the street department would pay the debt service on the \$186,000? Ken said correct. Alderman Higgins said that we are really talking about \$700,000 for the street department. Alderwoman Lucas asked where is that showing in the budget? Ken said there is a slide for that.

Transit

Current Year – \$107,907

Proposed – \$110,305

The new routes that we are connecting to are at no cost to the town. We feel good about the modest increase.

Police

We have a decrease in vacancies and no travel or training has been hit. We do have a retirement pending midyear and we are freezing that position from mid year on.

Mayor Pro Tem asked about the reclassifications. Ken said that any reclassifications we had previously proposed before is gone. The only reclassification position is the LT position, which has already been approved. A Sgt. was promoted and received an increase for additional duties but not the pay increase. Mayor Pro-Tem O'Garra asked when will he get that? Ken said yes on July 1.

For clarification, this proposal includes 3% across the board as of Oct. 1. Mayor Rey asked what would 2% look like?

A discussion was had and a consensus was made to do a 3% COLA beginning Oct. 1st.

Fire Department

Most of the increase is in part-time salaries and a mid-year training officer, Battalion Chief.

Alderman Higgins asked Chief McLamb if that will give him enough people to have 4 people per shift? Chief McLamb said we have 4 people on now. Four people get our head out of the water. This proposal takes us to 7 people per shift with keeping the 4 fulltime, increasing 2 PT per day and one volunteer at night, every night.

Ken said keep in mind that we do have on the table, not reflected in the operational budget but in the capital for an additional fire station once completed we will have to staff that as well.

Chief McLamb said that we are looking at about \$125,000 per year for the building to staff.

Mayor Pro-Tem O'Garra said that 4 – 7 puts you in the chopping block.

Alderman Christian asked, do you have the volunteers & PT people in place?

Chief McLamb said that we would have to hire a few more part timers but the volunteers are coming & going. Alderman Higgins said with PT people we save a lot of money because we don't have to pay benefits. Mayor Rey asked for a consensus from the board whether we want to keep it the way it is being recommended or let them go back and do some adjustments? Mayor Pro-Tem O'Garra said I think we need to not try and do the managers job and let him make that decision. Mayor Rey said that we need to remember that the manager makes recommendations and we make the decisions. A consensus was made by three board members to keep it. Ken stated that with the pending ISO inspection coming up within the next year, it is too risky to our citizen's insurance rates to not go this route. Alderwoman Sutherland said that it is just a must. We have invested in other departments and public safety both ways I think it is very important for the community so we can move forward with this.

Mayor Rey said I want the board to know that this is our budget. These are recommendations from department heads. I've seen too many towns and other folk going by recommendations. This is our budget for the town.

Mayor Rey asked Allen if we are putting away money for the U4444 debt project that is coming up in three years? Allen said no. Ken said in the next 6 years we will have to pay that off and that will be about \$470,000.

Ken stated how much Chief McDuffie has helped him with sacrificing positions to leave certain things vacant to help the budget. Alderwoman Sutherland said that in order for us to get our powers back we had to have those positions filled. We need to take in consideration that we are freezing these positions to balance the budget but the eyes are not off the Town of Spring Lake. After you freeze the captains' position for 6 months are you going to post it? What happens with that position? Chief said that the Capt. is leaving in Jan. and the position will be frozen until July and I will shift responsibilities within the department. Then come July I will just fill it the position. Mayor Pro-Tem O'Garra said that right now we are looking at \$388,000 and I am thinking about that property over there. How much will we get off that property if they purchase? Jeff Hunt said the property is under contract for 6%. There is an early out clause but you have to give a 30 day notice. Mr. Moore still expresses interest in the property.

Debt

The current year debt on the general fund side is \$349,000 and \$ 534, 000 with the street paving project. When we adopt the budget we propose to adopt an updated CIP. Alderwoman Sutherland asked about the debt and how long do we have on the recreation center? Ken said we have 33 years remaining at \$131,000 per year.

Ken stated that the board will receive the budget with line items by Saturday. Some board members asked for hard copies.

Alderwoman Sutherland thanked department heads and a special thank you to Chief McDuffie for working with the town.

Alderman Christian asked if the reoccurring debt and the screw pumps will be in next year's reoccurring debt. Ken said yes, on the water and sewer side. This is solely general fund.

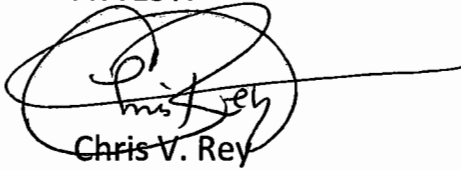
Alderman Christian thanked everyone for all of their hard work.

Mayor Rey asked to see what a 5cent tax increase would look like. Alderwoman Sutherland asked what about 1% for property taxes. Ken said that the manager's proposal does not include a tax increase.

Mayor Rey made a motion to adjourn. The motion was made by Mayor Pro-Tem O'Garra and it was moved and properly seconded by Alderman Christian. The meeting adjourned at 7:37 p.m.

Debra J. Hudson
Debra J. Hudson
Deputy Town Clerk

ATTEST:

A handwritten signature in black ink, appearing to read "Chris V. Rey", is written over a circular stamp. A horizontal line extends to the right from the end of the signature.

Chris V. Rey

Mayor