

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

April 23, 2012

MINUTES

5:00 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 (arrived at 6:26 p.m.)
Alderman James Christian (arrived at 6:27 p.m.)
Alderman Richard Higgins
Alderman James O'Garra
Alderwoman Fredricka Sutherland

Others Present:

Tommy Burns, Town Manager	Byron Blumenfeld, Water Resources Manager
Allen Coats, Finance Director	Paul Hoover, Director of Inspections
Troy McDuffie, Police Chief	T.J. McLamb, Fire Chief
Ken Metcalf, Recreation Director	Tina West, Human Resources Director
Rhonda Webb, Town Clerk	

The purpose for this meeting was to discuss the FY 2012-2013 budget.

Mayor Rey gave a nonsectarian invocation.

Mayor Rey led the meeting in the pledge of allegiance.

Approval of Agenda

The Board approved the agenda.

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

Motion by: Mayor Pro Tem Hogans

Second by: Alderman O'Garra

Vote: Unanimous

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

Mr. Burns requested to meet on April 30, 2012 at 5:00 p.m. It was the Board's consensus to proceed with holding another workshop on April 30, 2012 at 5:00 p.m.

1. General Fund

a. Revenue Projections

Mr. Burns reported staff has been working on the budget since mid-February. Their goal was to hold the line. We were able to trim the department's request down considerably but are still over by approximately \$286,000. At this point we need additional guidance from the Board on the paving project. This decision will have direct bearing on how we finish this budget. \$156,000 of the \$256,000 is projected for paving.

Mr. Coats provided the Board with information on projected General Fund revenues. 90% of the total revenues come from Ad Valorem (property) Taxes, Sales Tax and State Shared Revenues. The only revenue source that we have any control over is property taxes. The projected General Fund revenue is approximately \$7M. There are four departments that make up the largest portion of expenditures. They are Police Department (28.3%,) Fire Department (14.9%,) Recreation Department (9.9%) and Street Department (8%.)

Mr. Coats gave a quick overview of Capital Outlay and Personnel requests and recommendations.

Mr. Coats provided a comparison of what a penny is worth in Spring Lake compared to surroundings areas. He advised one penny on the tax rate for Spring Lake will equate to approximately \$44,000 next year.

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

b. Department Head Presentations

Police Department

Chief McDuffie gave an overview of his requested budget for the Police Department. He stated there is a slight increase in the operational expenses. He requested four additional vehicles (two marked and two unmarked) but they were cut from the budget. He requested an additional police officer but that had to be cut as well. Other than these two items there are no significant increases in this department. He will have to pay some additional funds due to funding the detective position for the entire year. Last year, it was only funded for half the year. There is a proposed contract with Cumberland County for \$25,000 for animal control services. They have provided animal control services for two years at no cost to the Town. With a contract, we will have more control over the amount and quality of service we receive from the County. Concern was expressed regarding the quality of service we will receive compared with having our own animal control officer. Chief McDuffie stated they have not focused on Spring Lake because we did not have an agreement in place but Spring Lake will get better service if we contract with them. If we were to hire someone to perform this service it would cost the Town about \$40,000 to \$50,000 per year. It was clarified that the contract would be a performance based contract and they will be required to report to the Board on a monthly basis. All of these things will be stipulated in the contract. It was requested that the Board receive a briefing on the contract prior to the Town entering the contract. The Board requested a complete brief on the contract prior to it being signed.

There is a slight increase in the following lines for the listed reasons:

Uniforms – this line was cut last year and caused some issues.

Public Safety – weapons qualifications and weapons training.

Take home vehicles were discussed and it was clarified that the policy is the same.

There was no funding requested for paving the parking lot across the street from the annex.

Alderwoman Sutherland requested to be excused at 5:49 p.m. and left the room. Alderwoman Sutherland returned to the meeting at 5:52 p.m.

Fire Department

Chief McLamb advised his budget requests increased by approximately \$86,000 from last year. \$29,980 of the increase is for personnel and \$56,130 is operational costs. Included in the operational costs are volunteer's pay, helmets, boots, pagers, physicals, etc.

They applied for two SAFER grants and a recruitment and retention grant for volunteers. The County is going to a firehouse software based program. This will require additional funds to purchase software for additional users and support.

He provided possible solutions. They are listed on his PowerPoint presentation. He stated it would take .02 cents of tax increase to fund the increased operational expense. Fire code enforcement and State mandated inspections will bring in revenues.

The Fire Department does not inspect any property that is not located inside the Town limits. Chief McLamb will propose to the County's EMS Director that Spring Lake conduct fire inspections in buildings that are in the Manchester Fire District and in the Town "donut holes" and bill the County for the cost of the inspection.

Other items discussed were the Town's ISO rating which is currently 5. We will be rated again in October 2013. The Town does bill for hazmat incidents but not for automobile incidents. Chief McLamb also gave an overview of upcoming projects and horizon planning.

He stated that the Fire Department just needs more people.

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

Recreation Department

Mr. Metcalf provided the Board with an overview of his budget priorities. He stated that his budget includes an upgrade in a laborer position to a lead maintenance worker, additional hours for current part time maintenance workers, additional seasonal maintenance help between April and September and some additional cleaning equipment. He is proposing to upgrade uniforms for youth basketball and football. Other budget increases include additional supervision and field help and additional administrative time for part time workers.

Some of the cuts that have been made include a park swing set for Odell Road and Wilson Avenue parks, four park benches and one trash container.

There was some discussion about the uniforms. Spring Lake's basic uniforms are very comparable to Fayetteville and Hope Mills basic uniforms.

There was discussion about the park on Odell Road. Alderman Hogans requested the Odell Road Park cut be revisited. Alderman O'Garra suggested some of the community groups use the concession stand as a way to earn some money toward making some of these things happen. Mayor Rey suggested that we look at all the options for resources to make some of these things happen. Mr. Metcalf advised that it would cost approximately \$12,000 to \$14,000 to add a basketball court on Odell Road or any other area of town.

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

2. Water and Sewer Fund

a. Revenue Projections

Mr. Burns advised we will need to discuss some upcoming debt payments for the waste water treatment upgrades and water and sewer line improvements that we have received State funding for. We will have to determine in our rate structure how we will set the fees. We will also look at modifying our rate structure with a tiered system. We would like to get a tiered system so that the people who are using the bulk of the water are the ones paying for it and that we are not penalizing a single person by requiring them to pay for water they do not use.

The main revenue source for the Water and Sewer Fund is from fees collected. There are four key areas that make up the expenditures for this fund. They include non-departmental which is the water that we buy (25.5%), water and sewer operations (24.4%), wastewater treatment plant (17.2%) and debt service (7.6%). Currently, the debt service is \$251,000 per year but will increase next year. The majority for this amount is for water and sewer lines and modifications to the waste treatment plant. This equates to \$2.5M of the total \$3.3M Water and Sewer budget.

Mayor Pro Tem Hogans stated that our tax rate is obscene. We are shooting ourselves in the foot. It will affect development if we increase the tax rate.

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

Action: There being no further business to come before the Board, the meeting was adjourned at 6:30 p.m.

Motion: Alderman O'Garra

Second by: Mayor Pro Tem Hogans

Vote: Unanimous

Rhonda D. Webb

Rhonda D. Webb, MMC
Town Clerk



ATTEST:

Chris V. Rey
Mayor