

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

April 30, 2012

MINUTES

6:00 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
Alderman James Christian
Alderman Richard Higgins (arrived at 5:15 p.m.)
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
Tina West, Human Resources Director
Rhonda Webb, Town Clerk

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

2. Invocation

Mayor Rey gave a nonsectarian invocation.

3. Pledge of Allegiance

Mayor Rey led the meeting in the pledge of allegiance.

4. 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.)

5. Business

a. Water and Sewer Fund Overview

Mr. Blumenfeld gave the Board an overview of the Water Operations budget which includes stormwater, water distribution, collections and treatment. He reminded the Board that you cannot anticipate some aspects of water operations such as water line breaks. He advised

this department has reduced water loss by 8%. They continue to work on inflow/infiltration issues. Correcting issues reduces the average plant flow and allows for more capacity.

He stated the Water Operations Department is projecting increased costs in materials for repairs. They need to replace at least 10 fire hydrants and they need to purchase back up pumps and install telemetry for the lift station to meet state requirements. He stated the need to control the valves and to do so they need a valve insertion system that will allow the Town to install valves with no interruption in water service.

He told the Board the Waste Water Treatment Plant requires some upgrades. The main problem is the need to renovate the grit chamber to eliminate deposits that accumulate in the aerator. There are some pumps needed and the replacement of gas chlorine treatment with liquid chlorine to clarify the water. He reported the Waste Water Treatment Plant is at about 50% capacity.

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

b. Water And Sewer Department Presentations

Water and Sewer Department

Mr. Coats provided the Board with information concerning water and sewer rates. He explained the anatomy of a rate. Meaning there are two types of rates: flat or fixed and variable. Currently the Town uses a flat (per 1000 gallon) rate for both residential and commercial properties. He stated that almost half of the town's residents use 2000 gallons of water or less each month. He offered information about restructuring the rate system to a tiered system. This would mean the people who use more water would pay a higher rate and the people who use less water would pay a lower rate. This is based on a yearly average. The proposed restructured tiered system is revenue neutral. His presentation included a side by side snapshot of the current structure versus the new structure.

He gave an overview of current water and sewer projects that are ongoing. They include the NC 210 Water Line, Lower Little river and Waste Water Treatment Plant modifications. These projects will add approximately \$278,000 additional debt to the budget next year. Currently, the rate charged will not cover this cost. He proposed a restructured system to adjust the rates to cover the debt. It follows the same concept in that lower users would pay less than higher users; however, everyone will see an increase in this rate due to the need to cover the costs of the service.

The Board requested a comparison to sister cities under the proposed rates.

The Board wants a comprehensive education process for the citizens if we change the rates.

c. Additional Budget Updates

There were no additional updates for the Board.

d. Board to Set Date for Next Budget Workshop

The Board's consensus was to set the next workshop for May 14, 2012 at 5:00 p.m.

6. Adjournment

Action: There being no further business to come before the Board, the meeting was adjourned at 5:55 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