

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

August 22, 2011

**MINUTES**

7:00 p.m.

The Spring Lake Board of Aldermen held a regular scheduled meeting in the Grady Howard Conference Room of the Spring Lake Municipal Building with Mayor Ethel T. Clark presiding.

**Board Members Present:** Mayor Pro Tem James O'Garra  
Alderman James Christian  
Alderman Richard Higgins  
Alderwoman Debora Hudson  
Alderwoman Fredricka Sutherland

**Others Present:**

Tommy Burns, Town Manager  
Byron Blumenfeld, Water Resources Manager  
Paul Hoover, Public Works Director  
TJ McLamb, Fire Chief  
Tina West, Human Resources Director

John Jackson, Town Attorney  
Allen Coats, Finance Director  
Troy McDuffie, Police Chief  
Ken Metcalf, Recreation Director

**1. Call Meeting to Order**

Mayor Clark called the meeting to order.

**2. Invocation**

Mayor Clark held the Invocation.

**3. Pledge of Allegiance**

Mayor Clark led the Pledge of Allegiance.

**4. Additions or Deletions to Agenda**

Mayor Clark announced that the record should show that Tina West, Human Resources Director, was recording minutes in absence of Town Clerk, Rhonda Webb.

There were no additions or deletion to the Agenda.

## 5. Approval of Agenda

The Board approved the Agenda as presented.

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

**Motion By:** Alderman Higgins

**Second By:** Alderman O'Garra

**Vote:** Unanimous

{A copy of the Agenda is hereby incorporated and made a part of these minutes – see attachment one.}

## 6. Approval of Consent Items

The Board approved the minutes of the August 8, 2011 Regular Meeting.

**Action:** The Board approved a motion to approve the Consent Items.

**Motion By:** Alderman O'Garra

**Second By:** Alderwoman Sutherland

**Vote:** Unanimous

## 7. Public Forum

Jackie Jackson, Chairwoman of the Town of Spring Lake Appearance Commission, spoke regarding the article in the Fayetteville Observer concerning the Commission. Ms. Jackson stated that the Commission faced scrutiny for members not showing up at scheduled meetings. She wished to comment on behalf of the Commission. Ms. Jackson stated that the article reported the Commission did not have a quorum of members to get things accomplished but some things in paper were not true. She added that the Commission had mailed letters to members to address the no shows and that there had been a discussion to change the bylaws. She stated she had requested a reduction in the number of members on the Commission. She suggested that common courtesy from Alderman Christian would have been to approach the Commission before statements were made to the newspaper. She added that nobody knew what was going on in other peoples' lives and that the Commission hoped the Town Board would come to the Commission to address the issues. Mayor Clark thanked Ms. Jackson for her comments.

Robert Cooper, 130 Deerfield Drive, spoke regarding Spring Lake Transit. He announced there were a couple of people present to give the Town Manager a petition to improve the bus system. Mr. Cooper requested that the bus system be improved so that the people who need the bus could afford to utilize the service. He added that the bus system saved the Town costs in paving along with Police and Fire by reducing the number of cars on the road. Mr. Cooper stated that no one can understand why the Town would be proposing to raise rates on the transit system and cutting stops would also be counterproductive. He added that the proposal to eliminate the Saturday bus service would prohibit people from getting to work to earn income. In closing, Mr. Cooper stated that when he rode the bus, it was full of passengers and based on the need, now would not be the time to cut back but rather improve the transit service. Mayor Clark thanked Mr. Cooper for his

comments and added that the Town Board had not reduced the bus service or increased the bus fares.

## **8. Public Hearing**

### **a. Cumberland County Multi-Jurisdictional Hazard Mitigation Plan.**

Mayor Clark opened the Public Hearing.

Denise Sykes of the Cumberland County Planning and Inspections Department stated that in March 2006, the Town Board approved the Mitigation Plan. She added that the federal government had required a Mitigation Plan be approved to ensure the receipt of FEMA monies and the Plan would have to be updated every five years. Ms. Sykes reported that two hazards, volcanoes and tsunamis, had been deleted from the proposal and that some actions were completed, some were continued, and some were deleted. She informed the Board that vulnerability was extensively updated to include flood maps in digital form. A more accurate representation of the Town was also included which encompassed annexations that have occurred and the 2010 revaluation of property valuations which caused a change in assessment. Ms. Sykes reported that on April 4, 2011, the County had received approval from FEMA and the State that the Plan submitted had met the requirements to update to a multi-jurisdictional Mitigation Plan. That was before the tornadoes on April 16, 2011. Ms. Sykes reported the tornadoes were not in the Plan presented. She told the Board that the public hearing process and adoption of the resolutions would be the last part of the process. Alderman O'Garra inquired as to why tornados were not included in the Plan. Ms. Sykes stated that tornado activity was hard to mitigate but the disaster preparedness could be mitigated. She informed the Board that there were two resolutions that would need to be adopted at the next Town Board meeting. Attorney John Jackson stated that he had reviewed the document five times and the Plan was in order.

Mayor Clark asked if there was anyone who wished to speak in favor or against the Plan. There were no persons who wished to speak.

**Action:** The Board approved a motion to close the Public Hearing.

**Motion By:** Alderman O'Garra

**Second By:** Alderman Christian

**Vote:** Unanimously

### **b. Local Government Commission Application for Approving the Financing Contract to Fund the Town's Portion of the Mendoza Park Project.**

Mayor Clark opened the Public Hearing.

Allen Coats stated that the Town had received a PARTF grant for park improvements. He added that the grant required a Town match of fifty percent of the cost of the project. Mr. Coats stated that the Town wished to borrow the funds for the match and that would require approval from the Local Government Commission (LGC). Mr. Coats informed the Board

that a public hearing was a LGC requirement when a municipality wished to utilize financing. Mr. Coats stated that he would be glad to answer any questions regarding the project or the financing. Mayor Clark requested clarification on the approximate cost of the project. Mr. Coats stated that the Town's match would be in the \$450,000 range. Kenneth Metcalf stated that the figure given was a safe estimate. Mr. Coats stated that the Town was still working on bids for the project. Alderwoman Sutherland asked Mr. Coats to elaborate on the interest rate that the Town would receive if the funds were financed. Mr. Coats stated the Town would use a financial institution and that General Statutes required the LGC's approval for improvements to real property. He added that the Town must meet those requirements and submit an application for the LGC's approval. Mr. Coats stated that he had already held a preapproval conference as mandated by the LGC. Alderwoman Sutherland reiterated that she had inquired as to what interest rate the Town would obtain if the funds were financed. Mr. Coats stated that he did not know but the Town would submit bids to various financial institutions and the institution with the lowest interest rate would be selected. He stated that the interest rate would be somewhere in the two to three percent range. Attorney John Jackson clarified that the General Statutes required LGC approval for funding for 59 plus months and \$500,000 for capital improvements. Alderman Christian inquired about the term of the loan that the Town would seek. Mr. Coats stated that he would request various terms and that the Board would approve the term based on the cost of the debt service. He recommended that the Town keep the loan under a ten year term.

Mayor Clark inquired if there was anyone in the public that wished to speak in favor or against the Local Government Commission Application for the Financing Contract to fund the Town's match for the Mendoza Park Project. Mr. Cooper stated that he had taken his grandchildren to Mendoza Park and that he did not understand the need for a million dollars in improvements. He added that the project seemed senseless. Mayor Clark stated that the Town would not be funding the entire million dollar project and that there would be a new concession building, new restroom facilities, and paved parking. There were no other person who spoke in favor of or against the proposal.

**Action:** The Board approved a motion to close the Public Hearing.

**Motion By:** Alderwoman Hudson

**Second By:** Alderman O'Garra

**Vote:** Unanimously

## 9. Presentation

### a. Water Accountability Update.

Mr. Coats stated that the Board requested an accountability report on the Town's water loss and that the Board had suggested that there be an effort to close those gaps. Mr. Coats reported that the Water Operations Department had been working diligently to repair leaks within twenty-four hours. He added that the other issue was the old meters throughout the Town. Mr. Coats explained that older meters would run slower than newer ones. He stated that he had requested that the Town look into an Automated Meter Reading (AMR) program. Mr. Coats explained that AMR program would either

completely replace or upgrade all the meters in the Town. He stated that the staff had done a lot of research on AMR programs and their cost. Mr. Coats reported that the cost of the project would be approximately \$750,000 to \$1,200,000. He added that staff was not sure that the Town should bear the whole cost of the project and that staff had determined that we didn't have sufficient data to recommend the AMR project. Mr. Coats reported that the Town could not determine whether the project would solve the problem of the water loss. He explained that various software conversions had limited the ability to analysis how old meters were. Mr. Coats stated that he had been looking for grants to help fund the project and that last week, the Town was made aware of a grant to fund one-half of the cost of the project. He added that the grant would be with the North Carolina Cleanwater Trust Fund Revolving Loan and would require a Town match. Mr. Coats expressed that the grant funding made the project more viable. He directed the Board to the memorandum that he provided. He stated that there were a couple of things the Town was looking into internally such as large use meters and vendors to come in and mitigate those large use meters to reduce the impact the businesses. He stated that the Town was also looking usage on smaller meters. Mr. Coats reported that he had run one report and was looking into the information provided. Alderwoman Sutherland inquired how much water was being lost on the Town side. Paul Hoover informed the Board that the Town had lost \$209,000 for the Fiscal Year 2010-2011. Mr. Coats explained the AMR project and how the meters are replaced and that the meters would not be read manually. He added that the good thing about the project was that all the meters in the Town would be new. Mr. Coats commented that staff did not have sufficient data to validate the project but through the grant process the Town would get the information. Alderwoman Sutherland inquired regarding the reduction of time and expense of manually reading meters. She asked about the impact on the employees the Town currently employed to perform those duties. Mr. Coats stated that the Town had three Meter Readers and that those employees spend two weeks out of the month reading meters. He informed the Board that the remainder of their time was spent performing other duties such as disconnections. Mr. Coats reported that the previous proposal submitted to the Board would cut the Meter Reading staff from three to one. He added that he had spoken with vendors and that more than likely the Town would need to retain two positions. Mr. Coats agreed that it would not be feasible and he would estimate that the Town would need two positions but the decision would be left to the discretion of the Board. Alderwoman Sutherland stated that the project would improve accountability and that she would like to ensure that the citizens' bills are accurate. Mr. Coats stated that the concept would be to replace all meters older than five years and to retrofit the others. He added that the Town would eliminate the human error in the meter reading process and that replacing the old meters with a new product in the ground would accomplish better accuracy. Mr. Coats further added that the system had the capability of notifying staff of potential leaks. He explained that the Town currently read meters once a month and leaks could be identified at that time. He reported that the Town would be able to read meters multiple times throughout the month and notify the customer of a potential leak faster. Mr. Hoover stated that the early warning would show on vacant accounts. He added that the system would show illegal usage and that AMR would improve the Town's ability to manage the system. Mr. Hoover cautioned the Board that the drawback for the system would be the replacement of all the meters at one time. He explained that the meters

would be replaced at one time and would have the potential to fail at one time. He further added that there was a good potential that meters would fail before the loan was paid off. Mr. Hoover suggested that the Town utilize the savings from the improved billing accuracy to help pay for the mass replacement and that the length of the loan would be an important factor to consider. He stated the staff should work to ensure that the Board be presented with enough information to make good, solid decisions. Alderwoman Sutherland agreed that obtaining grant funding is important. Alderman Higgins suggested that Mr. Hoover consider water loss through the transmission in the system in the water loss calculations. He added that fire suppression would affect the water loss. Mr. Hoover stated that the Town has adjusted for that loss. Alderman Christian inquired as to how much grant funding would be available. Mr. Coats stated that the grant would account for fifty percent of the cost of the project and the project was estimated between \$750,000 and \$1,200,000. Alderman Christian asked if the Town had meters in stock to replace old or broken meters. Mr. Coats responded that the Town did keep some meters in stock. Alderman Christian inquired if the Meter Readers were performing their duties and specifically asked if the Meter Readers were reading every meter and not estimating. Mr. Coats stated that he, Mr. Hoover, and Mr. Burns had met with the employees to clarify their responsibilities. Alderman Christian requested that Mr. Coats check behind the employees to ensure that all duties were being performed. Mr. Coats stated that he and Mr. Hoover had been spot checking meter readings. He explained that he had thought the AMR project was dead but then the grant funding came to light and the Town needed to readdress the project. He added that he could see the benefit of an AMR system but he didn't have enough data to recommend the project in the past. Alderman Christian inquired as to when the grant would need to be submitted. Mr. Coats stated that the grant application was due on September 30, 2011. Alderman O'Garra stated that a fire hydrant on Odell Road had run all night and that would equate to significant water loss. Mr. Hoover explained that the State mandated the flushing of certain lines and that the Town would have to continue the flushing because of water samples that had been tested. Alderman O'Garra asked if that water had been accounted for in the water loss totals. Mr. Hoover added that all of that water had been accounted for. Alderman O'Garra stated that cutting the number of Meter Readers to two people would be difficult if the Town was still disconnecting 300-400 water accounts per month. Mr. Coats agreed and explained the courtesy letter and other ordinance improvements that the Board had approved at budget time had been implemented. Alderman O'Garra asked what the payback time period would be for the AMR project. Mr. Coats stated that he did not have sufficient data to recommend the project and that information was what staff would be compiling now. He added that typically those loans were twenty year loans. Mr. Coats stated that he did not know the answer but the Town was doing the work now to answer those questions. Alderman O'Garra inquired if staff was in the process of pulling meters to obtain the information. Mr. Coats stated that we would be spot checking. He added that staff would go to an area of the Town and pull one to two meters, then go to another section and do the same, and that once that was complete staff would be able to make some intelligent recommendations. Alderman O'Garra asked if Meter Readers had been pulling meters and inquired if those records were being kept. He added that work orders should have been processed. Mr. Coats stated that there would be some of that information available but the Town was not required to keep those records past five to

seven years. He added that staff had probably not tested enough meters. Mayor Clark inquired if the grant and low interest loan would be funded by Cleanwater. Mr. Coats stated yes and that half of the loan would be forgiven. Mr. Coats clarified \$500,000 of the project would be paid back and \$500,000 would be forgiven. Alderman O'Garra stated that he was pleased that Mr. Coats and Mr. Hoover would be working on the project together. Alderwoman Sutherland thanked the citizens for discussing the Town's water rates and that she felt it was necessary for the Board to understand that staff did not have accurate estimates. Mr. Coats stated the information would be presented to the Board at a later date. Tommy Burns informed the Board that the grant would require the Town to submit the estimates.

## **10. New Business**

### **a. Funding Request from the Spring Lake Chamber of Commerce**

Jeff Hunt, Executive Director of Chamber of Commerce, requested an additional \$2,000 be allocated by the Town to fund economic development activities. Mr. Hunt reported to the Board that the Spring Lake Chamber had contracted with Kimley-Horn and Associates to provide a schematic of the proposed U-4444 overpass. He stated that the Chamber had eighteen points for the Town to advocate the State for to include assistance to be provided to relocated businesses. Mr. Hunt informed the Board that one of the main concerns before the Town is the location and design of the proposed overpass. He added that, if not done correctly, the Town would miss out on a great opportunity. Mr. Hunt informed the Board that the Town should obtain an additional design to effectuate the kind of stopping that would allow growth for the Town and that there wouldn't be time to go back and correct a problem twenty years down the road. He stated the Chamber would utilize the additional funding for the project. Mr. Hunt recognized other Chamber of Commerce members John Thomas, Former President of the Chamber, Howard Pate, Founder, Carl Manning, Board Member, Jannell Medina, Treasurer, Debra Clyde, Office Manager who were present. Mayor Clark expressed the importance of obtaining N.C. Department of Transportation (NCDOT) approval during the design process in order to avoid the Town having to fund the changes. She added that Kimley-Horn would present the Town's request so that the recommendations can be incorporated in the NCDOT design.

**Action:** The Board considered a motion to approve Chamber of Commerce Funding Request.

**Motion By:** Alderman Higgins

**Second By:** Alderman Christian (for discussion purposes)

**Vote:**

Alderman Christian questioned why the documentation he had been provided stated the Chamber of Commerce was requesting an additional \$12,000. Alderman Higgins explained the \$10,000 requested to fund a comprehensive demographic study of the Town was not acceptable. Mr. Hunt stated that the Chamber of Commerce President Mark Sullivan had asked for \$15,000 for economic development and that the Chamber

had been instructed to develop a detailed account of how the funding would be utilized. Mr. Hunt requested that the Board approve the additional funding for the schematic design for the overpass and that the Chamber would like to reserve the right to come back to the honorable body and request additional funding at a later date. Alderman O'Garra stated, in jest, that the honorable body had not granted the \$2,000 yet so leave the rest alone. He inquired if NCDOT would actually consider the request. Mr. Hunt stated organizations had found that NCDOT would take into account the full picture of the Town and what economic development measures were underway. He added that engineering professionals have stated it would be in the best interest of the Town to ask NCDOT for the design the Town wanted. Mr. Hunt reported to the Board that the NCDOT would only do the minimum and any overage would be charged back to the Town. Alderman O'Garra inquired if the \$2,000 would be sufficient to fund the proposal or would the Town have to go on someone else's property. Mr. Burns stated that there were other locations being considered. Alderman Higgins referred to the bridge drawing as conceptual and that based on prior experience NCDOT would do the minimum and charge the Town for the additional. He stated that he was in favor of granting the Chamber the additional funding to approach NCDOT with a design. Mr. Hunt stated that this would be the first phase and that the next phase would be to go to the elected representatives and present the Town's requests. Mr. Burns stated that Kimley-Horn has a good relationship with NCDOT and with the Spring Lake area. Alderwoman Sutherland added that, as Alderman Higgins stated, it would be great to pursue the design that was in the best interest of the Town; however, what guarantee would there be that the Town's request would be approved? Mr. Hunt stated there were no guarantees but the conversation with NCDOT had begun some time ago. He added that Mayor Clark had expressed her concerns with the proposed design having an eleven lane road through the Town. Mr. Hunt explained that when the Town opened the lines of communication with NCDOT, alternative proposals were developed. He stated the Chamber was engaging NCDOT in an attempt to gain more concessions to benefit the Town. Alderwoman Sutherland stated the Town would not know if there were no attempts. Alderman Christian reiterated the importance of having accurate paperwork before the meeting. Attorney Jackson wanted to call the Board's attention to the public purpose clause. He stated that courts had approved Chambers to perform functions on behalf of Towns and there were three items the court had used as control. The court held that the appropriation had to be specific, each specific item had to be approved by the council, and the chamber had to account for the funds at the end of the fiscal year. Attorney Jackson cautioned the Board to adhere to the control measures in order to comply with the public purpose requirements. Mayor Clark read the document to note the specific use of the money. Mr. Hunt clarified that the additional \$2,000 requested would be used by the Chamber to contract with Kimley-Horn but if the Town would prefer to engage in the contract directly, that would suffice. Attorney Jackson stated that would be his preference. Mayor Clark inquired if the Board would be in agreement for the Town to enter into the contract. Alderman Higgins inquired if his motion should be amended. Mr. Coats proposed that a Budget Ordinance Amendment be presented to the Board at next meeting to move the existing \$3,000 budgeted for economic development and to add an additional \$2,000 so that the Town could contract directly with Kimley-Horn. Mr. Burns reiterated that the Chamber was not concerned with who enters into the contract so long as the contract was

authorized. Mayor Clark clarified that the Board needed to make a motion to direct the Town Manager to present a Budget Amendment to appropriate \$5,000 to enter into a contract with Kimley-Horn.

**Action:** The Board approved a motion to withdraw Alderman Higgins original motion.

**Motion By:** Alderman Higgins

**Second By:** Alderman Christian

**Vote:** Unanimous

**Action:** The Board approved a motion to allow the Town Manager to present a Budget Ordinance Amendment and to enter into a contract with Kimley-Horn.

**Motion By:** Alderman Higgins

**Second By:** Alderman Christian

**Vote:** Unanimous

#### **b. Resolution, Property and Liability Insurance**

Tina West stated that the Board had approved the Town to participate in the North Carolina League of Municipalities' (NCLM) property and liability insurance program. She added that, although the Town's coverage was effective on July 1, 2011, the agreement presented to the Board was a requirement to participate in the program. Ms. West explained that the agreement had been delayed in the NCLM's legal department and had only recently been received by the Town for approval. Ms. West requested that the Board approve the Resolution authorizing the Interlocal Agreement for a Group Self-Insurance Pool for Property and Liability Risk Sharing with the North Carolina League of Municipalities and authorizing the Mayor to execute the aforementioned Agreement.

**Action:** The Board approved a motion to Resolution 2011.16.

**Motion By:** Alderman Higgins

**Second By:** Alderwoman Sutherland

**Vote:** Unanimous

#### **c. Discussion – Spring Lake Community Appearance Commission**

Alderman Christian requested that the Board discuss alternatives to assist the Appearance Commission in reorganizing so that it performs more effectively. He stated that he had initially considered recommending the Commission be completely reorganized and start anew but, in light of Ms. Jackson's statements, he recommended that the Commission submit a plan of action and an amended charter to include a reduction of members. Alderman Christian requested that the Commission present the aforementioned items to the Board on the second meeting in September 2011. He stated that he had attended meetings and that important issues had been discussed but no action could be taken due to the lack of a quorum. Alderwoman Sutherland stated that she had attended meetings when no quorum of the Commission was present. She added that she had previously

spoken to Rhonda Webb regarding the annual election of a Chair and Vice Chair. Alderwoman Sutherland thanked all of the volunteers for devoting their time but expressed her concern that the annual election could not be adhered to due to a lack of quorum at the meetings. She stated that she had received citizen complaints and comments about the Commission. Alderwoman Sutherland expressed her willingness to assist the Commission in their endeavors to reorganize. Alderman Christian stated that the Commission should be proactive in events such as the Fall Clean Up and that the article in the newspaper was not intended to be negative but rather proactive. He stated that the Commission had been trying to elect officers since May 2011 and had not been successful. Attorney Jackson recommended that the Board appoint two members to work with the Commission to define the problems. He offered to review any document changes presented. Mayor Clark inquired if Alderman Christian and Alderwoman Sutherland would agree to work with the Commission. Alderwoman Hudson stated that she would assist as well. Mayor Clark requested that the Board Members inform the Clerk as to who would be attending the meetings in order to avoid a quorum of the Board. Alderman O'Garra expressed his support for the Commission by stating that a clean up event had not been missed. Mayor Clark agreed that there had been a lack of participation and that the Board should make every effort to assist the Commission in its endeavors to be successful.

**d. Discussion of Town Meeting Signs**

Alderman Christian requested that small signs be placed around Town to announce upcoming Board Meetings. He suggested that Town purchase five to six campaign style signs and place them in highly visible locations. Alderman Christian explained that he was attempting to increase participation from the public and felt that improved participation on the part of the general public would equate to accountability. Alderman Higgins stated that, in his years of experience, the Town could promote the meetings via the website and other postings but that the end result may not be increased participation. He added that he was not opposed to the concept but that the placement of the signs, the coordination of having the signs placed and removed, and the Town's ordinances should all be considered. Alderwoman Hudson asked if the signs would be purchased or if the staff would create them. Alderman Christian stated that the signs would be purchased.

**Action:** The Board approved a motion to direct the staff to have signs announcing Town Board Meetings created and placed in Town.

**Motion By:** Alderman Christian

**Second By:** Alderwoman Sutherland

**Vote:** Unanimous

**11. Closed Session, G.S. 143-318.11(a)(3) – Attorney-Client Privilege.**

Mayor Clark stated that the chair would entertain a motion to go into closed session pursuant to N.C.G.S. §143-318.11(a)(3).

**Action:** The Board approved a motion to go into closed session pursuant to N.C.G.S. §143-318.11(a)(3).

**Motion By:** Alderman Higgins

**Second By:** Alderman O'Garra

**Vote:** Unanimous

Mayor Clark called the meeting back into open session.

## 12. Adjournment

**Action:** Having no other business to be considered by the Board, the meeting was adjourned.

**Motion By:** Alderman Higgins

**Second By:** Alderwoman O'Garra

**Vote:** Unanimous



ATTEST:

*Ethel T. Clark*

Ethel T. Clark  
Mayor

*Tina J. West*

Tina J. West  
Human Resources Director