

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

May 9, 2011

**MINUTES**

5:42 p.m.

The Spring Lake Board of Aldermen held a workshop in the Grady Howard Conference Room of the Municipal Complex 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:** Leonard Barefoot, Interim Town Manager  
Allen Coats, Finance Director  
Byron Blumenfeld, Water Resources Manager  
Paul Hoover, Director of Inspections  
Troy McDuffie, Police Chief  
Ken Metcalf, Recreation Director  
Steve Rosser, Interim Fire Chief  
Tina West, Human Resources Director  
Rhonda Webb, Town Clerk

The purpose for this workshop was to discuss the Stormwater Fund, Insurance, Sanitation Fund and other budget topics.

Stormwater

Mr. Barefoot advised that the Stormwater Fund is balanced.

Insurance

Ms. West gave the Board an overview of medical, dental and vision insurance benefits. She advised that staying with Blue Cross Blue Shield will give the Town an 8% reduction in costs. The information on property and liability insurance was not available. Staff is waiting on the League and Snipes Insurance to provide cost estimates. It is hopeful that we will have the property and liability insurance information available before the formal budget presentation is made.

Sanitation

The following are proposed procedures to ensure that the Sanitation Fund functions the way it should:

- Commercial account due date on invoice (mid June billing with a second notice given)
- Customers required to pre-pay for service

Mr. Barefoot advised that the Sanitation Fund has a \$69,133 shortfall in the current year. To balance this Fund in the upcoming year depreciation must be funded as well as a transfer to General Fund to offset expenses paid by that fund.

Alderman Higgins requested a comparison of our sanitation rates with other governmental agencies.

#### Water Billing

The Board was provided requested information concerning water deposits required by surrounding providers. Discussion included checking credit reports and reporting bad debt. Mr. Coats advised that we use Professional Recovery and the State's Debt Setoff Program to help collect money owed to the Town and to report bad debt. The Board's consensus was to require credit checks prior to opening a water account, keep homeowners water deposit at \$50, renters at \$100 with good credit and bad credit renters would pay \$200. Mr. Barefoot stated that he would bring back a proposal for the new water policy for the Board's consideration at an upcoming meeting.

#### Spring Lake Transit

Mr. Barefoot explained the savings in the General Fund if we eliminate the bus running on Saturday. Ridership is down on Saturday and this would save the Town \$16,856. Mayor Pro Tem O'Garra requested an estimate of riders on Saturday.

#### Take Home Vehicle Policy

He advised that it costs approximately \$57,000 for people to drive their Town owned vehicles home. The Town's policy allows people who live within a 12 mile radius to drive their vehicle home and we have some people who live well outside that radius. Mr. Barefoot recommended that we require people who live further than an approved radius to reimbursement the Town at the approved IRS rate for mileage outside the approved radius or they could opt to not drive the Town owned vehicles home. The Board discussed the pros and cons of the recommendation. The Board's consensus was to have staff prepare a policy that would reflect the Manager's recommendation.

#### Misc. Budget Information

Mr. Barefoot advised that each department was requested to cut 4% from their requested budget. This saved \$66,930. He recommended eliminating street paving for the next year which would save \$150,000. These actions would get us close to balancing the budget. Alderman Higgins strongly objected to cutting out street

paving.

The Board's consensus was to hold another workshop next Monday, May 16<sup>th</sup> at 5:30 p.m.

The meeting was adjourned at 6:56 p.m.



*Rhonda D. Webb*  
Rhonda D. Webb, MMC  
Town Clerk

ATTEST:

*Ethel T. Clark*

Ethel T. Clark  
Mayor