



**City of Boiling Spring Lakes
Board of Commissioners Workshop Minutes
June 25, 2013
City Hall – 10:30 AM**

PLEASE TURN OFF CELL PHONES

I. Call to Order

The Workshop was called to order by Mayor Richard White at 10:00 AM

II. Attendance: In attendance at the meeting were:

Mayor Richard White
Commissioner Mike Forte
Commissioner Charlie Carroll
Commissioner Barbara Glidden
Commissioner Craig Caster
City Manager Jeff Repp
City Clerk Jane McMinn

I. Review and Proposal from Retail Strategies

A power point presentation was made by Slates Snider, Business Development of Retail Strategies to the Board of Commissioners. Mr. Snider gave a project overview of the market analysis and research and approach to bringing new business into the community and the advantage with respect to employment and future growth. Mr. Snider also presented to the Board the proposed consulting costs associated with a three year plan.

Due to a two way audio problem – at the end of the presentation the Board will submit questions to the City Manager who will then reach out to Retail Strategies for answers.

Retail Strategies will be added to the August Agenda under Old Business. If there is consensus of the Board to proceed, the City Manager will procure a contract to review prior to taking any action.

II. BSLVFD Budget Request and Contract

Representation by - Nathan McConnell, Asst. Fire Chief, Bob Boyd, President Board of Directors

Asst. Chief McConnell stated that the financial information has been given to the Board's representative.

Mayor White replied that he has never received the quarterly statements, other Board members also stated that have only received one to date.

Commissioner Caster commented that he emailed the original budget and that he would email the statements again and assured all members that they would receive the quarterly statements.

Asst. Chief McConnell said that the current contract has not been updated since 2005. The Fire Department has expanded their services and those services need to be reflected in the contract, this will offer protection to the Fire Department and the City from possible law suits. If the services are not listed in the contract it then becomes a liability.

Mayor White stated the he submitted some questions that he felt should be answered and wanted to share with the Board. It was stated by Chief Grace that it was a law that we had to have a contract. Mayor White requested the statute, however Mr. Boyd responded that it is not a law, but that their insurance company requires contracts with local governments

Asst. Chief McConnell commented that without a contract the insurance rating would go up to a 10. If the rating goes to a 10 you would not be covered and that would make everyone's insurance rate go up.

Mayor White replied that the contract was developed by the county manager in 2005 to last indefinitely. The county manager came up with the indefinite model and that is what was presented in 2005 and it is still in effect as far as the county is concerned. This contract is still valid and it will be unless either party changes it.

Asst. Chief McConnell stated that the current contract states nothing about the rescue services that are provided, it says nothing about the vehicle extrication which is about 40% of what we do. If we don't provide these services then there is no one else to provide it. When the county gets there with an ambulance they are not cutting the car open, they are not rescuing the people. The fire department are the ones cutting the car open, that is what we do as a fire department and we would like the contract to be updated so it specifies what we do as a department. That is for our protection and the city's protection.

Mayor White said he requested the total amount of money that is received from fire fees. The Mayor said he has not received a dollar amount.

Asst. Chief McConnell stated that the fire fees provide roughly \$360,000, that is not from the town itself, that is from the whole fire district which we have incorporated town and unincorporated.

Mr. Boyd said the budget is \$360,000 and fire fees are \$347,000.

Mayor White stated that some years you have received as much as \$372,000.

Mr. Boyd clarified, that is what is billed out, and they never pay the full billing because it is not always collected, so they always hold back. Whatever the collection rate history is, we get about 93% of what they bill out.

Mayor White responded that in 1999 the governing board by resolution adopted the fire fee system. The city residents, all land and property owners, and commercial businesses pay a fire fee for protection. I have checked with the Institute of Government, and that is something we need to run by our attorney, they are not sure that those fees can be used in rescue and EMS services. That is something that needs to be addressed before any contract negotiation. We need to know if it is legal to use those fire fees that were adopted by Resolution in 1999 by the City of Boiling Spring Lakes Governing Board.

Asst. Chief McConnell responded that what you will find out from other towns is that it does not cover EMS transport. It pays for rescue services, and fire services but not for EMS transport services.

Mayor White commented that in 2010 the Articles of Incorporation were revised with the Secretary of State, and is no longer Boiling Spring Lakes Voluntary Fire Department, but Boiling Spring Lakes Fire Rescue. I have not gotten a definite answer back on this yet. If you have a document that says fire fees can be provided in the EMS service, I think it is something we need to run by our City attorney.

Asst. Chief McConnell replied it is not going to say EMS service, EMS service and rescue are two different things. EMS service is talking about patient care and transport. That is totally different than what we do. We do not transport patients. We are not using fire fees for that. We are using fire fees for fire protection and rescue services.

Mayor White stated that before we enter into a new contract our City attorney needs to review the language. This is a real gray area.

Mr. Boyd said the county is the one that distributes the fire fees. I think the important thing besides having the contract with the city is that the insurance department requires us to have a contract with the municipality so they can make it a legal document.

Mayor White replied you have to have a contract or you can't operate.

Mr. Boyd commented that we have a contract with the City now, and it calls for fire protection only, and if that is what the City would like we will not provide the additional services.

Mayor White again stated that until we get a correct answer, I feel uncomfortable signing a contract without some guidance by our City attorney. This is a gray area about fire fees paying for EMS services.

Asst. Chief McConnell clarified it is a first responder service. If you look at all the other fire departments in the county there are only 2 that do not provide EMS first response. There are some that do patient transport as well. They do billing for their patient transport.

Commissioner Carroll asked for clarification of fire fees coming from citizens and fire fees coming from outside.

Asst. Chief McConnell replied that our fire fees are not just within the city limits, it is all of our fire protection area. The fees that are received are from the whole district.

Commissioner Carroll my understanding is the fees you receive you have to cover everywhere, but the fees you get are from the city. I was under the misunderstanding that people from outside the city are not paying fees.

Asst. Chief McConnell responded that there are a few on River Road that are in our response area that do not pay fire fees because they are outside the 6 mile limit. There is discussion about converting back to a tax base, the County is looking at doing that so that fees can be collected from everyone not just the people who are within 6 miles of the fire department.

Commissioner Glidden inquired if properties outside of BSL are paying the same fire fee that the city of BSL has said our citizens have to pay. Is the county collecting from someone outside the city limits \$100 per house?

Asst. Chief McConnell replied the only places in the county that do not pay fire fees are, St. James, and Bald Head. They are the only ones incorporated in city limits that did not vote for that. They are the only ones that are exempt from fire fees. If you are outside 6 miles of a certified fire station then you do not pay. With the placement of our three stations we cover a lot of area that is not inside the city limits. The Gator Hole is outside the 6 mile limit, so they are not paying. If you look at the fire fees, for example, the Gator Hole, their insurance rating is a lot higher than what you have here. They are rated at a 9, we are rated at a 4 inside the city.

Commissioner Carroll commented it is good to hear because when I was told that I found that unfair to the city and the fire department if you were being held to that standard, I am real happy to hear that you are not.

Commissioner Forte commented he was speaking to Judge Marion Warren, who lives outside of a fire district, his homeowners insurance was through the roof. Fortunately he owns over 5 acres of property and was able to have it rezoned as a

farm. His insurance became considerably cheaper and his dwelling was covered as well.

Commissioner Caster questioned that if the city does not have a contract, would our insurance then go to a 10?

Asst. Chief McConnell said he spoke with David Sumney of the State Insurance Office, they do the fire ratings. When they come to do their inspection, we are due for an inspection now, if there is not a written contract in place the City limits would automatically go from a 4 (which they are at now) to a 10 which is uninsured.

Mayor White replied if we don't have a contract then they don't exist. The 2005 contract is valid. It was written by the county attorney to be indefinite. The 2005 contract is in effect and will be 10-15 years from now unless both parties agree to change it. The Fire Department is requesting the rescue service to be added into the contract. The Fire Department is also asking for a dollar amount to be added in the contract too.

Asst. Chief McConnell said we would like to see a dollar amount in the contract. If you look at any other business entity that you contract with, there is a dollar amount along with that contract. For example, Retail Strategies who presented this morning, it is \$40,000 for the first year and \$20,000 for each additional year. That is a contract.

Mayor White asked Mr. Repp if the City attorney has already addressed this issue about the dollar amount.

City Manager Repp replied that when he spoke with Elva she does not have a problem with the dollar amount being included, there just has to be some language in there to insure that the public purpose aspect of municipal government is being covered. The money that is being provided to them is being used for the public purpose. There would have to be some additional language added to cover that aspect so that we are legally covered in that amount. That is up to the Board whether they actually want to put a dollar amount in there. If there is going to be a dollar amount then there needs to be some additional language to cover ourselves.

Mayor White commented with the uncertainty about the fire tax, that he is not comfortable about putting a dollar amount in the contract. Next year the county commission could impose the fire tax instead of the fire fee. If that was the case, we would still be responsible for that money in the contract.

Commissioner Forte replied that he does not have a problem signing an annual contract, but I do have a problem signing a contract with a dollar amount. I would prefer that we do it as we have in the past on a case by case basis. In this case, they are asking for help in buying an essential piece of equipment like the camera. I am okay with saying we are willing to help, but I don't want to put an annual figure in

the contract. If you speak with the county commission, odds are pretty strong that they are going to change from the fire fee and go to a tax system to get those people who live outside of the district that the fire department is now covering to pay.

Commissioner Carroll I guess there are two things. First we are talking about an annual amount and the request for money for the camera. So I will address both of them. First what is the amount you need for the camera?

Asst. Chief McConnell responded that there are two quotes – they range from \$8,250 to \$8,746.

Commissioner Carroll asked about the \$10,000 that was originally talked about last month, you are now saying in order to acquire this you need either \$8,250 or \$8,746.

Unidentified person from the audience responded that they found a different camera, a cheaper one. We had the ISG for \$10,000, Argus came back and gave us a different quote that was cheaper, so that is why we presented that one. It is \$1,300 cheaper.

Asst. Chief McConnell said the original quote was for \$10,000 and we received this one from Argus that actually matches the other camera that we have which is compatible.

Commissioner Carroll stated now we are in the area of \$8,500 or a little more, so roughly that is what we are looking at. Has the Fire Department approached any other organizations or businesses for donations, other than the City?

Mr. Boyd replied not this formal.

Commissioner Carroll asked if the fire department has received any money toward the camera at all.

Asst. Chief McConnell and Mr. Boyd both responded no to the question.

Asst. Chief McConnell replied that with the town not having any major business there is not any type of resource to pull from that would be able to donate that kind of money

Commissioner Carroll stated I am not a member of the VFW, I am a member of the VFW men's auxiliary. We raise money for the VFW. I know the ladies raise money for the VFW. You have a ladies auxiliary, has the ladies auxiliary been requested or donated, or given any money towards helping you.

Asst. Chief McConnell said the ladies auxiliary does raise funds for us, but again that is on a limited basis, they are doing that by selling books and things like that, so they are not bringing in this kind of money at one time.

Commissioner Carroll said the reason I ask these questions is the same reason the month before last someone came in and wanted money from us for a senior program. I asked to see their books and he said ok. It is just one of those things that if you have an organization that raises money, it is like the VFW, when they need something they come to us and they come to the ladies auxiliary we just say yes or no. But if someone asks me, have any of you done anything for the VFW or if you ask the veterans, has anything been done, and they specifically say yes. As an example we just raised \$1000 for the VFW on a raffle. So I should give you that number today. When it comes to all this, this goes along with what Mike said about the dollar amount every month. I really appreciate you guys, if it had not been for the fire department, I might not have been sitting here talking to you today. I recognize what you do, but our end responsibility is to the citizens that put us here, not any particular department, whether it is the fire department, or the ground department. I have had zero citizens come to me and say they were in support of this. I have had two telephone calls that said don't do it all. I am saying at least a dozen people I have met going into Kopp's, saying don't do this. That puts me in the dilemma of the citizens that are actually doing this, they citizens are saying the fire fees are enough, don't do it. I thought on the way in here today is possibly the proper thing for us to consider is a referendum – I know how I think the majority feels out here, but instead of guessing, why don't we ask them. We have ballot coming up in November. Do they want their fire fees to go up, remain the same, then that would take care of it, rather than the contract.

Asst. Chief McConnell replied that he does not think the fire fees can increase – the only way they can increase is for the collection rate to increase. Right now we are collecting about 91%. Other communities like City Town and Bolivia they collect about 60%. When you go to the tax office to pay your taxes, they say if you don't have enough money, they tell you don't pay the fire fee, just pay the tax.

Commissioner Carroll commented that as far as the contract, I am not comfortable until Elva gives us the okay. I am thoroughly convinced that with the current contract we are under, that if the insurance people came in here today they would not grade us as a 10. I understand what you are saying about the added services which I have seen firsthand. With the correct language in the contract I am not opposed to signing it. The monetary dollar amount would have to come out. I could that today.

Asst. Chief McConnell made another point stating that with the current contract we now have, the City is not following what they are supposed to be doing. In the current contract it is stated that you will supply us with a boat, and the fire department will provide water rescue services. That has not been supplied. We had to have our ladies auxiliary supply us with a boat so we could actually have a rescue boat.

Mayor White stated that we had a joint boat together and it was decided that the boat did not fit your needs so you gave it back. That boat was partially donated from a resident on Bald Head. That boat stayed over on 50 Lakes at that station until you

said you wanted something wider so you could get a body basket in the boat. The City bought that basket.

Commissioner Glidden agreed that we need to make sure the wording is correct to cover both sides. As far as the monetary – I was told we would be embarrassed if we as a city are not supporting the fire department. I feel that the citizens of the city are supporting the fire department with the fees. We are charging our folks to help support the fire department. The individual citizens, the Board, everyone is supporting the fire department. I felt that it was an insult by saying the City is not supporting the Fire Department. We have given things to the fire department to help and as long as I am up here we will continue to do that. I found it an insult in the last point in the email we received it says “while the request this year will be used for the camera, any future income from the city will be utilized to bring up to date or obtain equipment and not subject to accountability.” I find that totally wrong, this is our job. Our job is to make sure that your tax money is going to go to something that is needed by the Fire Department. Everything should be accountable, everyone should be accountable, you need to be accountable, and I need to be accountable.

Asst. Chief McConnell replied that he did not get to see the wording of that email. I agree we are accountable, that is why we have a representative on our Board of Directors who sees our finances and gets the quarterly reports. He approves the budget every year. I agree that there has to be accountability.

Commissioner Glidden said that the City and the Fire Department have meshed together and I don't see any problems with that in the future. I would suggest that the information be sent to us every quarter so we can look at it individually and ask questions. It is our job to make sure that the fee is being spent to utilize the Fire Department and utilize the rescue for our citizens.

Asst. Chief McConnell stated that he has no problem with the reports – we are accountable to the City and to the County. We have to have an independent audit of our books. That is part of our contract with the County.

Commissioner Glidden mentioned that she sat in on a meeting that the Mayor had with Scott Garner. That was one of our questions, fire fees, is that enough to run our Fire Department? Mr. Garner felt it was. There are 22 fire departments in this county and every fire department in this county is run differently. The county is saying that what you receive, and what we receive should be enough to support. If something comes up and you need something that is where the City comes in. Again accountability has to be for everyone, we are all accountable.

Asst. Chief McConnell stated that he disagrees with Mr. Garner, the \$360,000 is enough to do what we do now, it does not allow for expansion. We are trying to plan for our department to expand. That includes bringing on paid employees. Those paid employees will help assist with the coverage, especially during the day and weekend hours. That is going to cost money and that is above and beyond what budget we

have now. The \$360,000 budget currently has been in place for 7 years. Until the town grows and we bring in more tax base for the town we are going to be unable to grow as a department. With the contract negotiation and adding a monetary figure that would provide a buffer to be able to begin adding some more people.

Commissioner Caster replied that no one on the Board has a problem signing the contract, and we all certainly appreciate what the fire department does and we need the fire department. Listening to the Board I think we can cooperate and work together. What is the consensus of the Board as far as asking for this piece of equipment – so they can have some vision of whether we are considering their request for the camera.

Mayor White replied I think this should be put on the July agenda.

Asst. Chief McConnell stated they have several part-time employees that help cover Monday through Friday. We are running into problems on the weekends. With part-time people it is hard to set a schedule to get that coverage for the whole week because of our demographics. Our people work their full-time jobs on the weekends and not Monday through Friday which is the opposite of most fire departments.

Commissioner Carroll started that the board was in agreement about the contract and the correct language being added by the City attorney. We are just not comfortable with the monetary part being added.

Asst. Chief McConnell replied that the ladies auxiliary's last major purchase was the fire rescue boat that they purchased last year. I do not know if the auxiliary account has any funds available.

Mayor White suggested the possibility of introducing a referendum. If the referendum is favorable we can go to our state legislator and introduce a special bill to raise fire fees. So there is a way to do that. If you think you need more money to operate, instead of coming back asking for tax funds, if the residents vote favorable we can go to our legislator asking to introduce legislation to increase fire fees. That would give you an operating budget. We are getting a little less than \$700,000, the fire department is operating on about half of what we bring in on property tax. We can't continue to fund the fire department on the property tax, it would be better to increase that fire fee if you need it. The fire fees were set by the legislature back in 1999 but we have to have permission from the state legislature to change that.

Asst. Chief McConnell said he personally thinks it is a little premature to do that until we find out what the county is going to do about switching over to a fire tax.

Mayor White stated that the request for the camera equipment will be on the July Agenda.

III. Spring Lake Water Level

City Manager Mr. Repp stated that it is his understanding that about 5 or 6 years ago the pipe in Pine Lake Rd. was replaced due to its deteriorating nature. It was being plugged by beavers, it was replaced, I believe, with the same size pipe that had been in there. Of course the old pipe was probably 50% plugged or more and it was replaced. Obviously the water level on the lake did go down. A new pipe that is unplugged is going to have more water going through it than a pipe that is 50% unplugged. That is the way it has been since it has been replaced. The pipe was replaced because of the flooding over Pine Lake Rd. during heavy rain events. It is my understanding that was the reason for the replacement of the pipe. With that, the Board can provide us with direction. Do we raise the level 6 inches, leave it as it is, we will follow your direction.

Mayor White stated that Ms. Falor has requested to address the Board.

Commissioner Carroll suggested that anyone in disagreement with Ms. Falor should have the opportunity to speak also.

Jane Falor commented that she has lived in this town for over 30 years. At that time there were 3 houses on Spring Lake. The lake was beautiful and clean. The lily pads were not there the lake was high. It became a swimming lake and residents came to Spring Lake to swim because it was so clean. This is a letter from the citizens of everyone on the north side of the lake with the exception of two houses. I will read the letter to you. **See attachment of petition.**

We have more houses on the north side of the lake than all of Spring Lake. This petition has 20 signatures – these people are tax payers. Nancy Crawford has submitted pictures of the way the lake used to look. I have pictures now of the way it looks today. The people on Spring Lake wanted to sign too, but they did not have a house on the lake so we did not let them sign. It is just the people that are directly on the lake and they want their lake fixed. One of the residents on the north side of the lake said there is a big alligator that is in that lake down by the cove near my house. Her children cannot go into the lake. She said she has reported this to the city several times, but no one seems to be able to do anything about it. Her name is Angela Hewett and she lives at 1341 Spring Lake Rd. She said she would appreciate it if I would mention this to the Board.

Jane Falor again stated that it would be appreciated by all if their lake could be restored to the way it was originally.

Mayor White asked if anyone had any opposition of raising the lake level. The Mayor stated that we have been reviewing this for two months. The Mayor asked the Board members for their consensus.

Commissioner Caster inquired of Larry Modlin, Public Works, if the pipe was installed exactly the way it was installed originally.

Larry Modlin confirmed that the pipe was installed at the exact same level as the original pipe. It is currently at the intended level.

Jane Falor commented that the new pipe was installed in 2006, that is when the water level started to change and go down. We have never had a house flood on Spring Lake. When the water was high we did not have the lily pads, we had fish in the lake, but when the lake level was reduced there are no longer any fish and the lily pads are now growing.

Commissioner Caster commented that we have to leave it to our experts. He said he does not have a problem raising the lake as long as it doesn't flood someone else out.

Commissioner Glidden stated that by looking at the picture that Pat Walters supplied, the homeowners at 67 Ash Rd. their pump system was installed for their irrigation they put it in the water, which was wrong. If something happens the system will be breached and they will have a problem. If you raise the level 3" or 6" they are going to have a problem. If we deter water from leaving Spring Lake into North Lake maybe we are helping the people on North Lake at the same time.

Commissioner Carroll stated that the only option we really have is to do whatever research we can and come up with what we believe it should be. I will tell you that from all the evidence I have seen, and from what I have been told, the lake was higher than it is today before that pipe was put in. If that is true, and if we can find where the natural shore line was when you bought your property, then that is where the level should be.

If I was forced to make the call today I would say raise it, but I think that there has got to be a way to know where that lake level was before the pipe was put in.

Commissioner Forte commented that he has no engineering degree – but common sense says that if you have a pipe this big, and you block it and only make this big, the odds of it blocking again have increased dramatically. So you might be creating an area that without inspection constantly might get blocked. If you raise the water 6 inches that makes the water come out to the sides further. Now you are taking away beach front from what is probably our biggest swimming lake, you would possibly lose 2 to 4 feet of beach front. Everyone else is asking what is the reaction to our action – if you raise the lake 6 inches what is the reaction to that. I don't believe anyone's house is going to flood, but there are wells that are not that far from the lake. Do we want those wells underwater? I would like to have a study. One other point, where the water was 30 years ago and where it is today - that is 30 years, everything has changed in 30 years. If we could get some sort of concrete answer of what that water would do, and it is not any big deal then I am for it.

Mayor White stated that we have had two months to decide on this, and we cannot make up our minds. It appears that we are going to have to postpone this for another month. I have 4 non-committals.

Commissioner Glidden asked the City Manager to see what it would cost to get an engineer to look at this and see if we raise the pipe or lower the pipe what the result would be. I do not think the Board is qualified to make that judgment call.

Mayor White stated that 20 people signed the petition, and those 20 people should know and they are the people who are qualified. I have lived here long enough to know. It is obvious that the lake has gone down.

It was agreed upon that the lake level will be added to the July Agenda to vote yea or nay.

IV. Review of City Employee / Volunteer ID System

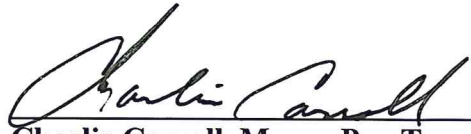
Mayor White stated that he asked Chief Shirley to look into ID systems that would work for the entire city. Next month we are going to have a review by the computer company. The ID cards with the magnetic strip can be used to log into computer sights, and for security purposes. Now, employees fill out manually a time sheet every two weeks. With this ID card with the magnetic strip on the back they would clock in so that would eliminate the stack of paper needed to do payroll. It can be pulled up on the computer and payroll is based on time in and time out. For security purposes, employees would be limited to access to certain computer stations. I would like all of us to look at that when we talk to the computer company next week. Also look at this ID system to be incorporated into the computer system. Chief Shirley included some prices and the Mayor stated that he thinks the ID cards are important to incorporate with the new computer system.

Commissioner Carroll made the statement that with the ID cards you can activate and deactivate whenever someone is no longer employed. This system is better for the employees and gives them more security.

A **motion** to adjourn was made by Commissioner Carroll and was seconded by Commissioner Forte.

Vote: 5 - 0

Meeting was adjourned at 11:55 AM


Charlie Carroll, Mayor Pro-Tem


Jane McMinn, City Clerk

