



City of Boiling Spring Lakes
Board of Commissioners Regular Meeting Minutes
January 7, 2014
City Hall – 6:30pm

PLEASE TURN OFF CELL PHONES

1. Call to Order – Mayor Craig Caster

Mayor Caster called the meeting to order at 6:30PM

2. Attendance: In attendance at the meeting were:

Mayor Craig Caster
Commissioner Barbara Glidden
Commissioner Mike Forte
Commissioner David Putnam
Commissioner Mary Stilwell
Police Chief Brad Shirley
Building Inspector Jim Nichols
City Manager Jeff Repp
City Clerk Jane McMinn

3. Pledge of Allegiance

Carl Zakszeski led the Pledge of Allegiance

4. Approval of Regular Agenda

Commissioner Forte requested that we add under New Business a Resolution Opposing Any Homeowners Insurance Increase of nearly 35%.

A **motion** to approve the Regular Agenda with the addition of the resolution was made by Commissioner Stilwell and seconded by Commissioner Forte

Vote 5 ~ 0

5. Presentation

a. ABC Board ~ George Ball

Mr. Ball reported good progress under the direction of Cheryl Riker, ABC Board, and dedicated employees. I want to especially thank our City Police Department, especially when our employees leave at night. The ABC Board in Raleigh requires that the Contract for ABC Law Enforcement be signed each year by the ABC Board Chairman and the Boiling Spring Lakes Mayor.

Mr. Ball complimented Mr. Wayne Berry on the auditing report. Under General Statute of North Carolina 188-80.5 we are presenting the City of Boiling Spring Lakes Police Department a check for \$161. This quarter we will be presenting you with a check for \$7,636. It is my understanding from our Manager, Cheryl Riker that we have had a good 4th quarter. In closing I would like to express my thanks on behalf of the Board and the Agency, supervisors and employees, and especially the citizens that visit the store for their ongoing support.

b. FY 2013 Audit Report ~ Wayne Berry, CPA, Berry, Padgett & Chandler, PLLC

Mr. Berry stated there is a full copy of the audit report at City Hall. *The Audit Report is hereby incorporated by reference and made a part of these minutes.* These excerpts come from the budgetary accounts which are required by the General Statute.

General Fund ~ the cash on hand at the end of the year was \$2,261,501. We started the year with a fund balance of \$2,281,265; we had revenues of \$3M, expenditures of \$3M, a transfer in of \$251,472, net increase of fund balance \$239,468 with an ending fund balance of \$2,520,733. That fund balance is allocated as follows ~ Restricted Stabilization by State Statute \$328,101, that represents accounts receivable that was not available to use at that time. Restricted for streets is Powell Bill money on hand of \$104,166. Unassigned is \$2,088,466. The unassigned amount is 68.8% of your General Fund Expenditures. That is a very good financial situation. LGC recommends 20%. You must realize the area that we are in and the potential for hurricanes. Keeping a good fund balance is always recommended. Even being refunded by FEMA you still have to have the money on hand until the reimbursement from FEMA is made.

Tax Levy ~ for the year the assessable base is \$512,391,818. That was up \$6,000,000 over the prior year. Our tax rate of 17¢ produced a tax levy of \$872,089. We had a 93.6% collection rate, excluding motor vehicles at 94.7%. The State average is 97%, we are a little bit lower due to economic times, if you follow this over a 3 or 4 year period you are up there at 99%.

Mr. Barry provided a break down where the funds come from ~ total revenue and Ad valorem taxes provided 29%, unrestricted intergovernmental revenues provided 52% that is your sales tax, local option sales tax revenue and franchise tax. Powell Bill is 11%, permits and fees 2%, sales and services are 4% and miscellaneous 2%. The money spent for general government 23%, public safety 29%, transportation 19%, cultural recreation 12% and debt service 16%. The debt service was a little high because the paving bond was paid off. That was an extra \$200,000.

Water Utility Fund ~ cash at the end of the year of \$132,739 and the year fund balance of \$132,739. The water assessment refunds that were made during the year were \$324,239, our allocation of the fund balance is \$132,739 restricted \$119,883 and an undesignated \$12,856. All the water refunds of \$132,739 can be transferred into the general fund.

Capital Reserve Fund ~ cash on hand at the end of the year is \$150,000. This money was set aside from the general fund of \$150,000.

Spillway Capital Project ~ the project to date has revenues of \$70,904 that revenue was grant money that has come in over several years. The total expenditures to date are \$157,298, we transferred in from the general fund \$91,075 a net increase of \$4,681 leaving an ending balance of \$4,681.

I found everything in very good shape and you should be very proud of your staff and I appreciated the help they extended to me.

5. Public Comment [Comment is limited to 3 minutes per speaker]

Pat Walters ~ 1481 Long Leaf Rd.

Mrs. Walters said she was here again to address the Council tonight about the situation on Spring Lake. Not only are our neighbors still flooded but we are experiencing more damage from the flooding from the high level of the water. Mrs. Walters then distributed a picture of the damage to her property to the Board. She stated that they were going to have to hire someone to come in and help repair the damage once it is safe to do so.

Ed Wilkie ~ 142 Pike Rd.

Mr. Wilkie questioned why he was standing here talking about the level of the water in Spring Lake. This decision to keep the water high to accommodate certain people on the lake has already been decided at the VFW Post here in Boiling Springs. A while ago we said the Pledge of Allegiance which says for liberty and justice for all. I have water on my property and I can't do anything about it, and I know the Board members who are going to vote yes, think about the next time you walk out your door and it is flooded because someone else wanted water at their home, I would like you to think about the people on Spring Lake. There is nothing we can do because this decision has already been decided. I know the Board members who are going to vote against it. Public opinion about why you are in office is going to hurt you.

Hank Troschianiec ~ 413 No. Shore Dr.

Mr. Troschianiec related to last night's topic about the land donation and felt there was no need to speak since he was in agreement with the majority that oppose the land donation. However something that concerned me from last night's meeting is the effect of taking the property back and how that affects property owners. As I looked through the minutes from the December 3, 2013 BOC meeting there are a couple of things that are disappointing. I know the Board tries to weigh the needs and wants and hopefully the larger percentage of the population is what is taken into consideration during those votes. After reviewing the road paving section where Baymeade was to be paid, there are two full-time families that live on that road, but there were some suggestions that were made that addressed more of a need. The need to alleviate the flooding issues on Trevino, Redwood and those areas. I don't know why that decision went that way verses a need and a want, minority verses the vast majority of people that could have been helped.

Now it will be tabled until budget talks and with the decrease in revenue that maybe facing the City of \$39,000, the cost of that paving job, and the engineering study for approximately \$30,000. I can only state that I hope this will not be a big issue at budget time. I hope that the Board will provide some relief.

Helen Crockett ~ 950 Trevino Rd.

Ms. Crockett stated that her statement concerns the meeting last night. I hope the Board will reconsider taking this property from the non-profit group in California. I did get in touch with the large church in California and spoke with Mike Doss who stated that the only reason we are offering to donate this property to Boiling Spring Lakes is we do not want to pay for the sewer assessment and if Boiling Spring Lakes does not accept it, we will give it to Brunswick County. Ms. Crockett stated that Brunswick County does not want it either. The property that was given to Guitars in the Classroom which is located in San Diego does not want to pay the assessments either. You may possibly get an offer from them as well.

Richard Queener ~ 896 Boiling Spring Rd.

Mr. Queener stated that he was under the understanding that the Board was going to accept the offer of this property and asked if this was correct. Mayor Caster replied that was incorrect and has not been decided, it will be decided when the Board votes on it. Mr. Queener stated that it is his opinion that we have not paid attention to what is needed in the City and there is much that requires attention. Streets have no corners and are not paved creating hazardous driving conditions especially when it rains. We have flooding problems with the lakes that have not been dealt with; we have no storm water draining system operable in the City, we have a dam that is declared a severe hazard by the State 8 years ago and we have no mitigating action that has been taken by the City to reduce that danger. If the dam should break during a hurricane and flood, we could be looking at millions of dollars in damage and a significant loss of life. This City has a moral obligation to take preventative actions to make sure we do not loose the dam.

6 Approval of Minutes:

Mayor Caster added an addition to Page 4 of the minutes which should read as follows ~ "support the north and south side of town."

Mayor Caster added a change to Page 8 of the minutes to state ~ "A special meeting for January 13, 2014 was called by Commissioner Putnam and Commissioner Stilwell."

A **motion** was made to approve the minutes with the requested changes by Commissioner Glidden and seconded by Commissioner Forte.

Vote ~ 5 ~ 0

7. Consent Agenda:

A **motion** was made by Commissioner Stilwell and seconded by Commissioner Glidden to approve the Consent Agenda.

Vote ~ 5 ~ 0

8. Committee/Board Reports and Minutes:

a. Community Appearance Committee ~ Ann Hollingsworth

We would like to thank Jason Tyson of the Southport Pilot for advertising our Christmas property recognitions. Our winners were 1151 Pierce, 241 Ash and 149 Windermere. Planning is underway for our Fun Day event. We will be replacing our pictures with Plexiglas instead of glass. The Committee is doing well and we would like to thank all the commissioners for their support over the last year and we look forward to working with Commissioner Putnam and Commissioner Stilwell in 2014. The Committee does not meet in January because we celebrate Martin Luther King's legacy.

b. Planning Board ~ Bill Clark

This year is the 5 year review of our long range plan. The start of the review was tabled until next month while awaiting the decision of the Board on the land acquisition.

c. Parks & Recreation Advisory Board ~ Commissioner Stilwell

Commissioner Stilwell stated that Melissa Thomas was unable to be here this evening. Parks & Recreation Advisory Board is working on their master plan and they would like permission to move forward with a survey to determine what the residents of our city would like from Parks & Recreation concerning activities.

d. Special Events ~ Commissioner Glidden

Commissioner Glidden spoke for Michelle Hennessy who was not present. Special Events did not meeting during December. Our next scheduled meeting is Wednesday, January 8th and at that time we will start setting the schedule for the events coming up.

e. Library Committee ~ No representation

9. City Manager's Report and Presentation of Monthly Financial Reports ~ Jeff Repp

City Manager Repp reported that as of November 30, 2013 the City had on hand within various financial institutions \$2,475,247. We are starting to work on the budget for next year. We are projecting an ending fund balance for FY2014 current fiscal year in the range of \$2,754,714 which is 98% of our annual general fund of our expenditures. I will caution the Board to note what Wayne reported about \$500,000 of that amount we should consider to be restricted, it is in the fund balance but we cannot spend it because it is for either State purposes or Powell Bill funds. We budgeted for about 92% to begin the

fiscal year, primarily because of the increase as reported of about \$132,000 that remains in the water fund that will be transferred out. By previous authorization last year the staff is going to be transferring about \$128,739 from the water fund to the general fund. This will leave a residual amount left in the water fund for any unanticipated expenses for about the next year and then we will close that fund.

Sales tax revenue is where we projected it to be at this time after 5 months into the year we are about .610% higher than what we projected which is basically on budget. That would generate about a \$7,000 increase that is where we are at this particular time. Through November 30th we have collected through the county 51.7% of our property taxes. This time last year we were at 56.3%, we are little behind as far as collections go but this could be just a sign of the times. As far as capital projects, base material has been placed on Baymeade Rd. We will be schedule the paving in the near future, as soon as the weather permits. I have distributed copies to the Board members of the projected FY2015 budget schedule. I highlighted in yellow dates that will be important for the Board to put on your schedule, those are dates that are scheduled for public meetings. The workshops are highlighted in orange which are tentatively scheduled, please reserve those in your calendars. As we get closer we will establish those dates and times for those workshops.

Commissioner Forte asked if the meetings would be AM or PM. City Manager Repp responded that the meetings highlighted in yellow would be in the evening; however it has not been determined with regard to the highlighted orange meetings, however that is a decision the Board will make.

10. Old Business

a. Spring Lake

Commissioner Forte stated that he requested of Mayor Caster that Spring Lake be added to the agenda. The time has come to be reasonable. When we raised the water level on Spring Lake it was only supposed to be a temporary fix to see how it would work. If it works we can make it permanent if it doesn't work we have only lost \$200 and we can just pull the elbow off. It seems that by doing so for the last 5 or 6 months we have about a dozen properties that are now still under water. I think the time has come to give these people some relief. We have had a considerable amount of rain over the last few days. I suggest we do the engineering study, come up with the right and permanent solution. It is time to do the right thing for these property owners that have had water on their property and take the elbow off.

A **motion** was made by Commissioner Forte to remove the elbow on Spring Lake, bring the water level back down to where it was before we had these issues and re-address this in two months when we discuss the budget.

Mayor Caster asked for a second to the **motion**. Hearing no second the **motion failed**.

11. New Business

a. Order ~ appointing Alternate to the Planning Board for a term of 2 years

Commissioner Forte recommended Sharon Zakszeski for the position. Sharon is a local realtor, our citizens are aware of her value to this City. Last night she provided us with valuable information.

A **motion** was made by Commissioner Forte to appoint Sharon Zakszeski as the Planning Board Alternate for a period of two years.

Mayor Caster asked for a second ~ hearing no second the **motion** failed.

Commissioner Stilwell nominated Nancy Crawford as Alternate for the Planning Board. Nancy has mentored me to the position of chair for the Parks & Rec. Nancy cares for the City and the citizens and will be fair and thorough in her decision making. Commissioner Stilwell thanked the other applicants for taking the time to apply for one of the Cities volunteer positions. Nancy has lived here 16 years and will serve the City well in this position.

Commissioner Glidden stated she has worked with Nancy 14 years ago when I first started on the Special Events Committee. I find Nancy to be a very fair and thorough person.

Commissioner Forte commented that this came up in the December meeting. Sharon Zakszeski applied for the open position on the Planning Board. When the appointment for the Planning Board member was made, Sharon then re-sent her application in applying for alternate. As I look at Ms. Crawford's it says Planning Board, not alternate. Therefore this application is not acceptable. We should be consistent.

Both Commissioner Putnam and Commissioner Stilwell stated that both Nancy Crawford and Mr. McCullough wrote Planning Board on their application.

Mayor Caster requested our City Manager to comment. City Manager Repp stated ~ Ms. Zkezeski applied for the Planning Board last month at the same time Ray Rumsey's name was being considered too. The Board chose to appoint Ray Rumsey because Sharon's came in at the time of the meeting. After that meeting we confirmed with Sharon whether her interest would extend to the Planning Board Alternates position since she had applied for the Planning Board and indicated she would be interested in serving on the Planning Board as an alternate.

Commissioner Putnam was looking for clarification of the ordinance. City Manager Repp stated ~ If there is a vacancy as a result of someone or a resignation one of the alternates be appointed to the unexpired term, then we fill the alternates position. If a term expires because of its time limit; that is if it is a 4 year appointment and the 4 years

expires the Board then has the ability to either appoint an alternate or seek a new member of the public to fill that new term that is starting.

Commissioner Glidden stated that if we want to be technical then Mr. McCullough is not valid as an alternate because his application was submitted in November. After our December meeting it was advertised as an alternate position. Sharon changed her application; Mr. Rygg submitted his application and Ms. Crawford put her application in after the December meeting. So logically Ms. Crawford answered the ad that was in the paper advertising for alternate. Commissioner Glidden also stated that since the 3 applications were submitted after the December 3, 2013 Board meeting and the notification was for Planning Board Alternate that these applications be considered as such. Commissioner Forte again stated that we need consistency and we cannot be changing our minds from month to month.

Mayor Caster asked the Board if the 3 applications were valid, Commissioner Glidden, Commissioner Stilwell and Commissioner Putnam all agreed. Mayor Caster and Commissioner Forte did not agree.

A **motion** was made by Commissioner Stilwell and seconded by Commissioner Glidden to appoint Nancy Crawford as the Planning Board Alternate.

Vote ~ 3 ~ 2 (Opposed Mayor Caster and Commissioner Forte)

- b. **Order** ~ authorizing the City Manager and City Attorney to take the necessary action to accept gift/donation and the real property below from the *Works of Life International Ministries of Life of Clovis, CA* and related subsidiaries.

A **motion** was made by Commissioner Glidden and second by Commissioner Forte authorizing the City Manager and City Attorney to take the necessary action not to accept the gift/donation and the real property below from the *Works of Life International Ministries of Life of Clovis, CA* and related subsidiaries.

Vote ~ 5 ~ 0

c. **Citizens Forum**

Commissioner Glidden gave a history of the Citizens Forum. These forums were discontinued and voted on in February 2012. I would like to see us go back to the Citizens Forum so any and all issues can be brought up and heard by the Board. There would be no voting at these Forums this is to strictly an open forum with all Board members present. Commissioner Glidden also stated that at the regular Board of Commissioners meeting only items listed on the agenda would apply to public comments.

Commissioner Stilwell agrees with bringing back the Citizens Forum and agreed with Commissioner Glidden that if we are having a forum then all Board members should be present.

Commissioner Forte agrees that a Citizens Forum would be worthwhile and we should bring it back.

Commissioner Putnam also is in agreement with reinstating the forum.

A **motion** was made by Commissioner Glidden and seconded by Commissioner Stilwell to reinstate the Citizens Forum on the 3rd Thursday of each month at 6:30pm beginning on February 20, 2014 at City Hall. Any issue or concern can be brought up at the forum. At the monthly Board of Commissioners meeting citizens can comment only on what is in the agenda.

Vote ~ 5 ~ 0

d. Appointment of liaison to the Appearance Committee

Mayor Caster appointed Commissioner Putnam as the liaison to the Appearance Committee

e. Appointment of the liaison to the Spillway Committee

Mayor Caster appointed Commissioner Glidden to remain on the Spillway Committee as the liaison

f. Resolution ~ Opposing any Homeowners Insurance Rate Increase

A **motion** was made by Commissioner Forte and seconded by Commissioner Putnam to accept the resolution and submit the resolution immediately to Commissioner Goodwin

Vote ~ 5 ~ 0

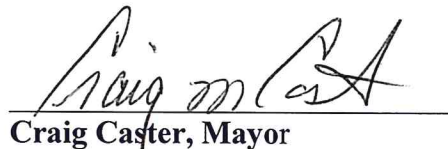
12. Adjourn

A **motion** was made to adjourn the meeting at 7:40pm by Commissioner Forte and seconded by Commissioner Putnam.

Vote ~ 5 ~ 0

ATTEST:


Jane McMinn, City Clerk


Craig Caster, Mayor

