

**CITY OF LAURINBURG
CITY COUNCIL SPECIAL MEETING
BUDGET WORKSHOP
MAY 8, 2013
MUNICIPAL BUILDING
303 WEST CHURCH ST.
6:00 p.m.**

The City Council of the City of Laurinburg held a special meeting May 8, 2013 at 6:00 p.m. at the Municipal Building located at 303 W. Church St., Laurinburg, NC with the Honorable Kenton T. Spencer, Mayor Pro Tem presiding. The following Councilmembers were present: Mary Jo Adams, Curtis B. Leak, Kenton T. Spencer and Andrew G. Williamson, Jr., and J. D. Willis. Mayor Thomas W. Parker, III arrived at 6:31 p.m.

Also present were Harold W. Haywood, Interim City Manager; Jennifer A. Tippet, City Clerk; Cindy Carpenter, Finance Director; Amy Martin, Human Resources/Risk Management Director; Randy Gibson, Fire Chief; Robert Ellis, Water and Wastewater Services Director; Stacey McQuage, Utilities Director; Robert Smith, Electric Services Director; Brandi Deese, Planning & Community Development Director; Interim Police Chief Kim Monroe; and Tim Pierce, GIS Administrator.

Mayor Pro Tem Spencer called the meeting to order at 6:04 p.m.

The Invocation was given by Councilmember Willis.

Mayor Pro Tem Spencer stated that the agenda needed to be amended to remove recognition of a Boy Scout as he was unable to attend.

Motion was made by Councilmember Willis, seconded by Adams to approve the agenda as amended.

At 6:05 p.m., the meeting recessed for dinner.

At 6:31 p.m., the meeting reconvened.

CLOSED SESSION

At 6:32 p.m. motion was made by Councilmember Adams, seconded by Councilmember Willis, and unanimously carried to go into closed session pursuant to North Carolina General Statute 143-318.11(a)(6) for the purpose of considering the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee.

At 8:18 p.m. motion was made by Councilmember Willis, seconded by Councilmember Adams, and unanimously carried to adjourn the closed session and resume the open meeting.

Mayor Parker apologized on behalf of Council for the lengthy closed session and explained that one (1) hour would be spent discussing the proposed budget and Council would continue discussion next Tuesday night.

REVIEW PROPOSED FY 2013-2014 BUDGET

The Interim City Manager thanked all department heads for their hard work in developing a rough draft of the budget. He then discussed the following with regard to the draft budget:

- Directives given by Council included no property tax increase, no utility rate increases, keep operations neutral and no new financing for capital needs.
- In the General Fund, the variance in operations is a reduction in 2.8% of expenditures and capital needs increase of 24.37%, for a total variance of -0.45% between FY 2012-2013 budget and the proposed budget.
- In the Electric Fund, the variance in operations is 1.94% with capital needs down 10.94%, for a total variance of 1.12% between FY 2012-2013 budget and the proposed budget. Part of the expenditures in operations is due to the wholesale electric rate increases and fiber optic. Part of the expenditures with fiber optic will be recouped through fiber optic lease revenue.
- In the Water/Sewer Fund, operations will be reduced by 1.35% and capital will decrease by 32.18%, for a total variance of -9.73% between FY 2012-2013 budget and the proposed budget.
- In the Solid Waste Fund, operations costs will be reduced by 18.11% because there will be no transfer of funds from the Solid Waste Fund to the General Fund. Capital will increase by 114.18% due to the purchase of two (2) knuckle boom trucks which will not be financed. The total budget in the Solid Waste fund decreases by 8.20% from FY 2012-2013 budget to the proposed budget.
- Fund Balance in each of the funds proposed to be used to balance the budget will be increased except for the Water/Sewer Fund and the Solid Waste Fund.
- The following requested items were removed from the budget by the Department Heads in order to balance the budget and so that Council and Department Heads could discuss:

Department	Account	Amount	Description
General Government	410-7074	\$4,650	Chairs for Council
Administration	420-5002	\$32,000	Management Trainee
Administration	420-5014	\$5,000	Travel
Personnel	421-7034	\$5,000	Performance Management
Building Maint.	500-5015	\$4,925	Bullet Proof Glass
Community Dev.	501-7034	16,000	Vehicle
Planning	503-7074	\$50,000	UDO
Planning	503-5045	\$80,000	Commercial demolition
Grounds Maint.	505-5002	\$39,688	Director
Grounds Maint.	505-5014	\$1,000	Travel
Grounds Maint.	505-7073	\$30,474	Signs & Landscaping projects
Grounds Maint.	505-7002	\$22,500	Tree Inventory, tree giveaway, trees
Fire Dept.	530-7073	\$45,500	Resurfacing 2 parking lots
Streets/Highways	562-7034	75,000	Backhoe
Garage	565-7074	\$4,500	Increase floor space
		\$416,237	
Consumer Billing	724-7034	\$26,000	Truck

Wastewater	822-7073	\$275,000	#19 Pump Station
Wastewater	82207073	\$80,000	Radio Control
		\$381,000	
TOTAL BUDGET CUTS		\$797,237	

GENERAL FUND

REVENUE

Mrs. Carpenter explained that the major change in the revenue for the General Fund is the lack of revenue from internet sweepstakes privilege license fees and some reimbursements on grants in the Police Department.

GOVERNING BODY

The Interim City Manager explained that the largest increase in expenses for the Governing Body is for Professional Services based on amount of expense for legal fees.

ADMINISTRATION

Mrs. Carpenter explained that the Management Trainee Program in Administration was taken out of the contracted services line item and moved to the salary line item for the one (1) current Management Trainee.

The Interim City Manager added that the Travel line item was decreased for the City Manager.

PERSONNEL

Mrs. Martin explained that the biggest increase in the Personnel budget is that the Administrative Assistant position that was formerly shared by Finance and Personnel, was moved solely to Personnel. She added that the advertising line item was increased to allow more advertising and to include Hogan testing, and additional funds were needed to address some OSHA and safety issues.

FINANCE

The Interim City Manager explained that the only change in Finance was the decrease in salary caused by no longer sharing the Administrative Assistant position.

ACCOUNTING

Mrs. Carpenter explained that a new check signer was needed as the current one will not work with the new server.

Mrs. Carpenter then discussed the possibility of combining some budgets into one, citing Finance and Accounting as a possible combination since there is only one employee in Finance and two employees in Accounting.

TAXATION

Mrs. Carpenter explained that the Legal Fees line item was reduced for foreclosures.

BUILDING MAINTENANCE

The Interim City Manager explained that safety renovations were needed in the Police Department and replacement of two heat pumps in the Municipal Building.

ADMINISTRATION/DEVELOPMENT

Mrs. Deese explained that nothing was changed in this department.

PLANNING AND DEVELOPMENT

Mrs. Deese explained \$80,000.00 for commercial demolition had been requested and a comprehensive update to the Unified Development for \$50,000.00, and both of those had been removed from the budget in order to balance the budget.

The Interim City Manager explained that \$30,000.00 was budgeted in FY 2012-2013 for the work order system, but staff decided to wait on a better, more efficient system called City Works that costs \$75,000.00. The cost of the work order system would be spread among the different departments that will use it. He further added that the City Works system piggybacks off the GIS System and will allow life-cycle costing on equipment.

GIS ADMINISTRATION

Mr. Pierce explained that the large format printer needs to be replaced at a cost of \$8,000.00.

GROUNDS MAINTENANCE

Mrs. Deese explained that she would prefer to have additional time to discuss Grounds Maintenance since Council requested that she develop optional plans for Grounds Maintenance. She added that regardless of the plan that Council chooses for Grounds Maintenance, a truck and weedeater need to be replaced.

CEMETERY

Mrs. Deese explained that a tractor, three (3) side dump trucks and a blower needed to be replaced. She discussed the need to complete Phases I and II of the Cemetery Expansion Project in order to continue selling cemetery plots. She added that if Phases I and II of the Cemetery Expansion Project are not completed, the City would not have any cemetery plots to sell by the end of 2014.

Following questions by Councilmembers regarding the Cemetery Expansion Project, Mrs. Deese explained that this item would be discussed further at the next meeting.

POLICE

Interim Police Chief Monroe discussed the need for bulletproof glass for the dispatcher.

Mrs. Carpenter explained that originally the Police Department was to purchase five (5) vehicles this year; however Interim Chief Monroe wants to purchase four (4) vehicles in order to get the needed safety improvements. She also discussed the future move of all dispatchers in the County to one (1) facility.

The Interim City Manager explained that the safety improvements were moved to Building Maintenance.

Councilmember Spencer requested the budget be provided to him in an Excel spreadsheet.

FIRE

Fire Chief Gibson explained that the capital needs include updated pagers and an equipment truck to replace the vehicle he has been driving which has 116,000 miles on it. He discussed the equipment truck is a turn-key vehicle with radio and all other equipment installed. He added that in preparation for the new 911 Center and Computer Aided Dispatch (CAD), the budget included computers.

RESCUE

The Interim City Manager explained that the City and County share costs for Rescue.

Mrs. Carpenter explained that Rescue is requesting a quick response vehicle and she will obtain additional information concerning this vehicle. She added that she had spoken with the County about the vehicle and the County Manager did not have any concerns regarding purchasing the vehicle.

PUBLIC WORKS ADMINISTRATION

The Interim City Manager explained that the biggest change is in the Salary line item for the General Services Director which in the past had been paid half out of Public Works Administration and half out of Garage. He further explained that since Mr. McQuage is over the Garage, all of the General Services Director salary should come out of Public Works Administration.

STREETS AND HIGHWAYS

Mr. McQuage explained that the proposed budget includes no resurfacing or paving and he also removed a dump truck and was requesting a backhoe because the current one is 12-13 years old and overheats.

The Interim City Manager added that Council had requested a priority listing of streets and sidewalks and that would be presented at the next meeting.

Upon question by Councilmember Leak, Mrs. Carpenter explained that the interchange lighting line item is the cost of electricity for the Highway 74 lighting and on Lauchwood Drive.

STORM DRAINAGE

Mr. McQuage explained that the only additions were the work order system and updated radios required by the Federal Communications Commission (FCC).

FUELING FACILITY

The Interim City Manager explained that the costs for this are split between the City and the County.

GARAGE

Mr. McQuage explained that he was requesting two (2) shelters to give additional space for vehicle maintenance.

ANIMAL CONTROL

Interim Police Chief Monroe explained that there were no significant changes in Animal Control.

PUBLIC WORKS BUILDING MAINTENANCE

The Interim City Manager explained that this area is split between the Electric Fund and the Water/Sewer Fund and was no longer in the General Fund.

NON-DEPARTMENTAL

Mrs. Carpenter explained that she nothing much had changed in this budget. She added that the Humane Society information would be discussed at the May Council meeting. She further added that the cost for municipal elections will be \$7,200.00. She explained that she included money for the Youth Council and the Farmers Market because the line items had not yet been discussed by Council. The Interim City Manager explained that one of the differences between the current budget and the proposed budget for this department is that an amendment was approved by Council for purchase of land for the industrial site.

ELECTRIC FUND

REVENUE

Mrs. Carpenter explained that the City would see an estimated revenue of \$755,000.00 in fiber leases which includes the partnership with MCNC. She added that she did not change revenue in the Pole Rental line item as the pole attachment agreements are not finalized. She added that the issue may be resolved with AT&T so that would bring some revenue. She further added that staff is proposing to increase the area light rental fee by \$3.00 per month resulting in approximately \$65,000.00 in revenue. She added that more information would be provided to Council at the next meeting.

BUILDING MAINTENANCE

The Interim City Manager explained this is building maintenance for the Public Works facility and is split between the Electric Fund and the Water/Sewer Fund. He added that renovations are needed in the break room and warehouse and this also includes a security door in Consumer Billing.

Councilmember Leak expressed concern about security at the Public Works facility and requested that staff look into additional security to prevent thefts.

NON-DEPARTMENTAL

The Interim City Manager explained that there were no changes in this area.

ELECTRIC ADMINISTRATION

Mr. Robert Smith explained that the major changes in this budget are training for the Director and in Contracted Services for the City's electric consultant, McGavran Engineering.

CONSUMER BILLING

The Interim City Manager explained that the cost of this department are split between the Electric Fund and the Water/Sewer Fund. He added that a truck had been requested for this department, but it had been removed by staff to present a balanced draft budget.

Mrs. Carpenter explained that the marketing work conducted by Hughes Marketing was paid out of this department.

POWER PURCHASES

The Interim City Manager explained that this is what the City pays for electric purchases.

ELECTRICAL OPERATIONS

Mr. Smith explained that the budget includes an increase in tree trimming and takedowns, a new truck, a new trencher with plow, installation of an air conditioning unit at the switching station, and the work order system. He further explained that material inventory was getting low and materials needed to be replenished due to the lighting project on South Main Street from Holly Square Shopping Center to Tucker Street, the solar farm construction for which the City would be reimbursed.

IT/FIBER OPERATIONS

Mr. Smith explained that contracted services line item increased but the City will be reimbursed approximately \$240,000.00. He discussed replacing switches, upgrade to the fiber structure on Jump Road to provide redundancy on fiber.

The Interim City Manager explained that the fiber on Jump Road would enable the City to market its fiber at the Airport and potentially gain new customers and revenue.

WATER/SEWER FUND

REVENUE

Mrs. Carpenter explained that the only change in revenue was in grant funding which were received last year that the City would not receive next year.

BUILDING MAINTENANCE

The Interim City Manager explained that this was split between the Electric Fund and the Water/Sewer Fund and had been discussed earlier.

NON-DEPARTMENTAL

The Interim City Manager explained that this budget was basically unchanged.

CONSUMER BILLING

The Interim City Manager explained that this was split between the Electric Fund and the Water/Sewer Fund and had been discussed earlier.

WATER PRODUCTION AND TREATMENT

Mr. Robert Ellis explained that the lab equipment is aging and he included funds for possible replacement of equipment at the Water Plant. He added that funds were also included for a new well in the event there is a complete failure of a well site or possibly add a well to the City's system.

WATER DISTRIBUTION

Mr. McQuage explained that Water Distribution budget is basically the same as the previous year but includes the purchase of some small equipment items and two (2) large water taps for which the City will be reimbursed.

Mrs. Carpenter explained that this department appears to have gone over budget in the current year and this was caused by the Itron contract which will require a budget amendment before the end of the fiscal year.

CROSS CONNECTION

Mr. McQuage explained that there were no basic changes in the budget for Cross Connection. He then requested that since Cross Connection is one (1) person if Council would allow it to merge with Water Distribution. He explained that the activities would be tracked through the work order system.

SEWAGE COLLECTION

Mr. McQuage explained that this budget was about the same as the current year. He added that he did not include the \$300,000.00+ rehab on outfall lines that W.K. Dickson recommended and he had did not include \$50,000.00 requested for sewer expansion to Butler Trailer Park.

Following a brief discussion, it was consensus of Council for Mr. McQuage to provide Council with additional information concerning sewer expansion.

WASTEWATER TREATMENT

Mr. Ellis explained that the budget includes a new pump station on Bridge Creek for approximately

\$450,000.00. He added that it has been a problematic lift station for many years and this item should be funded.

SOLID WASTE FUND

REVENUE

The Interim City Manager explained that revenue was stable. He added that there are a few old solid waste vehicles that he hopes to sell through GovDeals that will provide some additional income. He further added that the budget includes a decrease in the amount that will be used out of Fund Balance because there would be no transfer to the General Fund.

SANITATION

The Interim City Manager explained that tipping fees from the County would remain the same. He added that capital needs included \$264,000 on two (2) knuckle boom trucks for yard waste collection. He further added that the other equipment needed was dumpsters, recycling and garbage carts.

The Interim City Manager stated that he welcomed Council's input and thanked Council for allowing staff to quickly review the budget and looked forward to discussing it further. He added that Mrs. Deese would present her Cemetery and Beautification budgets Tuesday night, and then he requested that Council notify him of any other items that want discussed.

Mayor Parker thanked staff for a concise presentation. He added that if any Councilmember wants specific information to contact the Interim City Manager.

Councilmember Leak requested that the clean-up for the July 4th Fireworks Display be included in a line item of the budget.

RECESS

Motion was made by Councilmember Willis, seconded by Councilmember Spencer, and unanimously carried to recess the meeting until 6:00 p.m. on Tuesday, May 14, 2013 in the Council Chambers of the Municipal Building.

The meeting recessed at 9:21 p.m.

Thomas W. Parker, III, Mayor

Jennifer A. Tippett, City Clerk