

**CITY OF LAURINBURG
RECONVENED MAY 8, 2013 SPECIAL MEETING AND
CITY COUNCIL WORKSHOP MEETING
MAY 14, 2013
MUNICIPAL BUILDING
303 WEST CHURCH ST.
6:00 p.m.**

The City Council of the City of Laurinburg reconvened its May 8, 2013 special meeting on May 14, 2013 at 6:00 p.m. in the Council Chambers of the Municipal Building with the Honorable Thomas W. Parker, III, presiding. The following Councilmembers were present: Mary Jo Adams, Curtis B. Leak, Kenton T. Spencer, Andrew G. Williamson, Jr. and J. D. Willis.

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

Mayor Parker reconvened the May 8, 2013 meeting on May 14, 2013 at 6:00 p.m.

The Invocation was given by Councilmember Willis.

APPROVAL OF AGENDA

Motion was made by Councilmember Willis, seconded by Councilmember Williamson, and unanimously carried to approve the agenda.

FY 2013-2014 BUDGET DISCUSSIONS

Beautification

Mrs. Deese presented a PowerPoint presentation on three (3) options regarding Beautification. She explained that currently there is no Beautification Director and the Beautification responsibilities are handled by the Grounds Maintenance Supervisor which falls under the Cemetery Supervisor. She added that under all options, a truck and weed eater will have to be replaced.

- Option 1: Low Option: Keep as Grounds Maintenance at the current budgeted amount of approximately \$231,000.00
- Option 2: Medium Option. Function as Beautification which would require a director or supervisor. Projects would include: complete tree inventory, tree giveaway program, right-of-way plantings, improve entrance signs at a cost of approximately \$327,000.00
- Option 3: High Option. Everything that is included in the Medium Option and include an edging crew, litter awareness program and study for the McDuffie Building at an estimated cost of \$708,000.00

A discussion ensued concerning the McDuffie Building. Councilmember Williamson explained that he had discussed this building with Mr. McDuffie. He added that the building is not in tax foreclosure with the County and he is unsure of the progress.

Discussion ensued concerning the litter awareness program. Mrs. Deese explained that it could be patterned after the South Carolina program "Palmetto Pride".

A discussion ensued concerning mowing the thoroughfares. Mr. McQuage explained that the City received approximately \$6,000.00 from NC Department of Transportation (DOT) for the mowing that the City has taken over at the major thoroughfares.

Upon question by Councilmember Leak, Mrs. Deese explained that she had considered using contract labor for some of the landscaping and beautification jobs, but because full-time employees tend to take better care of equipment employees are a better investment.

Further discussion ensued concerning issues of using contract labor, particularly in reference to the number of hours worked, benefits and unemployment.

Cemetery Expansion

Mrs. Deese explained that the cemetery expansion project is broken into four (4) phases which are as follows:

- Phase I: Tiling the ditch and utilizing staff, approximately \$23,000.00
- Phase II: Construction of a loop road, approximately \$101,270
- Phase III: Development of the ballpark area for plots, approximately \$55,390
- Phase IV: Construction of a new loop road, approximately \$91,570

She added that Phases I and II are necessary if the City plans to continue selling cemetery plots.

A discussion ensued concerning the number of cemetery plots sold per year. Mrs. Carpenter explained that the City currently has about 390 plots left at Hillside Memorial Park, but about half of those are located in the Estate Section which cost more than in the other sections of the cemetery. She added that the City has about one (1) year left of cemetery plot inventory other than the Estate Section plots.

Upgrade to Council Chambers

Upon question by Councilmember Williamson, the City Clerk explained that technology upgrades to the Council Chambers was not included in the budget. She discussed the estimate and proposal she received from one (1) company.

Rescue Squad

The Interim City Manager explained that Mrs. Carpenter had shared with Council a letter regarding the Quick Response Vehicle requested by the Rescue Squad that explained the vehicle and why it was needed.

Upon question by Mayor Parker, Mrs. Carpenter explained that the Quick Response Vehicle was included in the County's budget.

Upon question by Councilmember Leak, the Interim City Manager explained that the Rescue Squad is headed by volunteers, Josh Byrd and Kevin Strickland.

Upon question by Councilmember Willis, Mrs. Carpenter explained that the accountability for the funds rests with the Rescue Commander who is elected annually by the Rescue Squad, and is currently Kevin Strickland.

Priority Listing of Streets and Sidewalks

The Interim City explained that Council had requested a priority listing of streets and sidewalks. He

added that the draft budget did not include any street construction. He further added that the priority list contains approximately 25-26 streets that need to be paved.

The Interim City Manager explained that there was approximately 14 miles of sidewalks in the City. He added that the City plans to monitor sidewalks on the main thoroughfares and coordinates repair of trip hazards or missing sections of sidewalks with NC DOT for financial assistance, and then move to the secondary roads with sidewalks. He further added that the only new sidewalk construction included in the budget is the sidewalk from the Wilco Hess Station on West Church Street to Forest Road which is expected to cost approximately \$20,000.00. He explained that the City is expecting to receive a \$16,000.000 federal grant that DOT is helping to coordinate.

Mr. McQuage explained the asphalt paver that is included in the draft budget. He explained that the paver could be used to smooth some of the roads to be level and the next year it would not take as much money for resurfacing. He then discussed the road condition study that was conducted in 2005 which needs to be updated.

A discussion ensued concerning the cost of the asphalt paver and the mobilization fee charged by asphalt companies of approximately \$2,000.00 to \$4,000.00 in relation to the return on investment of the paver.

Upon question by Councilmember Williamson, Mr. McQuage explained that the last street discussed to be paved was Deluca Street. However, because of engineering issues, it was not paved. He further added that Joe Wampler provided an estimate of paving Deluca was \$110,000.00 which did not include curb and gutter.

The Interim City Manager stated that a new street survey was to be included in the 2014-2015 budget.

Upon question by Councilmember Adams, Mr. McQuage explained that the overgrown sidewalks are taken care of by the Street Department and it is difficult to keep all of the sidewalks maintained during the summer. He also discussed the weed sticker attached to the street sweeper.

Humane Society

The Interim City Manager explained that the Humane Society would be present at the Council meeting the following Tuesday.

At 6:45 p.m., Mayor Parker recessed the meeting for dinner.

At 7:00 p.m., motion was made by Councilmember Willis, seconded by Councilmember Leak, and unanimously carried to recess the reconvened May 8, 2013 meeting until after the May 14, 2013 agenda workshop.

AGENDA WORKSHOP

Mayor Parker explained that he would like to amend the agenda of the agenda workshop to have the closed session first.

APPROVAL OF AGENDA

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

At 7:01 p.m. Councilmember Adams moved 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. The motion was seconded by Councilmember Willis, and unanimously carried.

At 8:04 p.m. motion was made by Councilmember Spencer, seconded by Councilmember Willis, and unanimously carried to adjourn the closed session and resume the open meeting.

HIRING OF CITY MANAGER

Motion was made by Councilmember Spencer, seconded by Councilmember Willis, and unanimously carried to hire Charles D. Nichols III as Laurinburg's City Manager at a salary of \$95,000 per year.

AGENDA FOR MAY 21, 2013

The Interim City Manager reviewed the agenda for the May 21, 2013 meeting as follows:

- 3) Administration of Oath of Office to new part-time firefighters (Bruce Simms and Brent Webb)
- 4) **Consent Agenda**
 - a) Approve minutes of January 15, 2013 agenda meeting; January 17, recessed meeting; January 22, 2013 regular meeting; January 28, 2013 reconvened meeting; February 12, 2013 agenda workshop; February 19, 2013 regular meeting; March 6, 2013 reconvened meeting;
 - b) Set public hearing to be held June 18, 2013 at 7:00 p.m. in the council room of the Municipal Building located at 303 W. Church St. on the proposed 2013-2014 Fiscal Year Budget
 - c) Consider Ordinance No. O-2013- amending Chapter 40 Utilities Article 1, Section 40-1 Definitions; Article III, Section 40-127 Discontinuance of service when bill not paid by due date; and Article V, Section 40-380 Discontinuance of service
The Interim City Manager explained that the ordinance would provide a policy for staff regarding cut-offs during extreme hot or cold weather.
 - d) Authorize Interim City Manager and City Clerk to execute agreement with Municipal Engineering Services Co, PA for well construction at Industrial Center on Hwy 401 North
 - e) Rescind Ordinance No. O-2012-40 authorizing loan to Laurinburg-Maxton Airport Commission in the amount of \$200,000
Upon question by Councilmember Willis, Mrs. Carpenter explained that the \$200,000.00 would be placed back in Fund Balance.
 - f) Consider Ordinance No. O-2013- condemning the property located at 409 Fourth Street and authorizing the City Building Inspector to demolish and remove the structure
County waiving tipping fees
 - g) Consider Resolution No. R-2013- authorizing the sale of PIN Lot Id 0105801184 on Lincoln Street to Ms. Doris McLaughlin for the appraised value of \$1,750.00

PUBLIC HEARING

- 5) Consider Electric Rate Structure changes – 2 ordinances
The Interim City Manager explained that the public hearing was required for the Electric Rate Structure Changes and that Council would be considering two (2) ordinances. He further added that Mr. Fowler will provide additional information regarding this later in the agenda workshop.

DELEGATIONS

- 6) Scotland County Humane Society
- 7) Laurinburg Downtown Revitalization Corporation-Jim Willis
- 8) Laurinburg/Maxton Airport Commission-2013-2014 Proposed Budget and Update-Jo Ann Gentry, Executive Director
- 9) Laurinburg/Scotland County Area Chamber of Commerce-Tonia Stephenson

CITY MANAGER REPORTS

The Interim City Manager explained that the City Attorney would present the Findings of Fact from the solar farm public hearing to enter a formal order.

APPOINTMENTS

10) Beautification Committee

Following a brief discussion, it was consensus of Council to remove this item from the agenda.

UTILITY CUT-OFF POLICY

The Interim City Manager explained the City's normal utility cut-off policy for non-payment as follows:

The City begins cut-offs on the 26th of the month for non-payments. Medical alerts get a 24-hour notice before cutting off. Residents who are unable to pay their utility bill are allowed 2 holds per 12-month period. A hold allows an extension to the 3rd of the following month to submit full payment past due. The policy that City staff has to follow is set by Council and meant to allow equitable treatment to all City residents/customers; however, we would be glad to look at this policy if the Council feels it is too rigid.

Following a lengthy discussion, motion was made by Councilmember Willis, seconded by Councilmember Williamson, and unanimously carried to keep the current policy of two (2) holds per 12-month period.

BRUCE FOWLER-PROPOSED ELECTRIC RATE STRUCTURE CHANGES

The Interim City Manager explained that Mr. Fowler from McGavran Engineering would discuss the proposed electric rate structure changes that will be presented at the public hearing and which were discussed in March as a result of the recent electric rate study.

Mr. Fowler presented a PowerPoint presentation on the proposed Electric Rate Structure Changes with highlights as follows:

- Purpose is to realize the best effect on City revenue and fairness to all electric customers, to have rates that reflect current usage and cost patterns, to formulate rate structures that have a return to the customers in the investment in the City's electric plant facilities, and to produce revenue to cover costs and increase operating margins.
- First Proposal is to Discontinue Residential Rate Schedule EL and move those customers to the Rate Schedule JE which will reduce the average customer's monthly bill by 2.7% or \$2.66 a month.
- Second Proposal is to change the corresponding Public Housing Rate Schedules and the Off-Peak Rate Schedules.
- Third Proposal is to change the base minimum demand from 20 kw to 30 kw which would move the smallest demand customers to the Small Commercial Rate Schedules resulting in reducing the average commercial customer's monthly bill by \$55.00 per month.
- Fourth Proposal is to change the corresponding Church and School Rate Schedules.
- Fifth Proposal is a mandatory rate for individual solar units for small (under 20 kw) solar installations.
- Sixth Proposal reflects a change in the operation of the existing load switch program. The hours of operation would be increased and the credit for each device will be increased.
- The net effect of the Proposals will be a decrease in City revenues of an estimated \$98,500.00 per year for the first year, or 0.604% of total yearly revenues.
- The lost revenue would be offset to some degree by savings and reduction in billing costs, reduced number of estimated cut-offs and late payments, and increase in energy consumption because of less cost per unit for some small customers.

Mr. Fowler then discussed the upcoming North Carolina Eastern Municipal Power Agency (NCEMPA) rate increases as follows:

- NCEMPA's Rate Committee has recommended a rate increase of 3.5% per year starting in 2015 through 2020. The rate increases would take effect on January 1st of each year.
- In the past the City absorbed 40% of NCEMPA rate increases, but can no longer absorb the increases because the electric margin is continuing to decline.
- The increase to take effect on January 1, 2015 will result in a 3.0% increase in revenue for NCEMPA. The rate increase is in the demand portion of the rate which has more effect on cities like Laurinburg that have a small industrial base.
- The net effect on the City's cost to purchase power without any load growth is 3.05% or \$515,000 the first year and up to \$600,000.00 the last year of the proposed rate increase.
- The net effect on the City's cost to purchase power without any load growth will be offset by new rate structures in the proposed Electric Rate Structure Changes discussed earlier. The new rates will benefit customers that conserve and reduce their energy usage during billing "peak periods" during the summer and winter months.
- Any growth in electric load will decrease the effect of the proposed power cost increase because of the City's unique load characteristics.

A discussion ensued concerning NCEMPA, its rate structures and its debt. Mr. Fowler explained that NCEMPA has a lot of debt. When Laurinburg joined in 1981, the payout of that debt was to be 2001. He added that the State Legislators are attempting to control NCEMPA's borrowing until the debt is paid off by restricting municipalities' ability to transfer from the Electric Fund to other funds.

DISCUSSION OF JOINT CITY/COUNTY EFFORT TO DONATE TWO HOUSES ON E. VANCE ST. TO HABITAT FOR HUMANITY

The Interim City Manager explained that the County has asked the City to not demolish the house approved for condemnation last month on East Vance Street in an effort to collaboratively seek to donate this house and another house on East Vance Street to the Habitat for Humanity. He added that because these houses are in tax foreclosure by the County, the City will wait on the County's actions.

DISCUSSION OF ADDING 457(B) PLAN AS EMPLOYEE BENEFIT

The Interim City Manager explained that in an effort to increase recruitment and retention efforts by offering additional benefits to employees, the HR Director has researched the 457 (B) plan as an optional retirement contribution plan that employees can choose to contribute to as tax-deferred compensation. This is completely voluntary and will not cost the City anything to offer.

Mrs. Martin explained that this plan is advantageous for individuals who retire prior to 59.5 years of age because there is no penalty as with the 401k plan. She added that the plan is voluntary and the City makes no contribution.

Upon questions by Councilmember Leak, Mrs. Martin explained that Prudential would administer this plan as it does the 401k plan and that the City would receive no income.

It was consensus of Council to add this item to the May 21, 2013 agenda.

EX-OFFICIO MEMBER TO THE COMMUNITY ACCESS CHANNEL ADVISORY COMMITTEE

The Interim City Manager explained that this committee oversees the regulations and policies for information that is broadcasted on the CAC (channel 2). The City, County, and School Board all each fund this channel and have representatives on this committee. He added that Councilmember Leak currently serves as the ex-officio member and needed to know if Councilmember Leak wished to continue serving or if any other Councilmember was interested in serving.

Mayor Parker suggested that any Councilmember interested in serving should contact the Interim City Manager.

ADJOURN

Motion was made by Councilmember Willis, seconded by Councilmember Spencer, and unanimously carried to adjourn the meeting

The meeting adjourned at 8:48 p.m.

Thomas W. Parker, III, Mayor

Jennifer A. Tippet, City Clerk