

**CITY OF LAURINBURG
RECONVENED CITY COUNCIL MEETING
MAY 28, 2013
MUNICIPAL BUILDING
303 WEST CHURCH ST.
6:00 p.m.**

The City Council of the City of Laurinburg reconvened its May 21, 2013 meeting on May 28, 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. Tippet, City Clerk; and Cindy Carpenter, Finance Director. Arriving at approximately 7:00 p.m. were the following: 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 Parker reconvened the May 21, 2013 meeting on May 28, 2013 at 6:10 p.m.

The Invocation was given by Councilmember Willis.

APPROVAL OF AGENDA

A discussion ensued concerning the Walgreens site specifically with regard to the landscaping and traffic control, and the need for staff to ensure that the developer is requiring strict adherence to the plan.

Motion was made by Councilmember Willis, seconded by Councilmember Williamson, and unanimously carried to amend the agenda to include later discussion of the Walgreen development and to approve the amended agenda.

STRATEGIC PLANNING

Councilmember Spencer explained that he felt Council should be working on developing an overall picture of where the City will be moving forward in development, marketing and working with its partners. He added that the ground rules should be set first to ensure that Councilmember felt comfortable talking about these issues and there would be no personal attacks. He discussed that the lower-hanging fruit such as Beautification could be discussed, but the key issues facing the City and its citizens are growing the tax base and quality of life.

Councilmember Williamson added that there had been various capital projects discussed such as fiber optic, Datamatic, and Council needs to be sure that those projects are on task and Council is updated on the progress.

Councilmember Adams stated that she agreed with Councilmember Williamson regarding ongoing projects, and she would like to know how much the projects will cost the City in the future. She added that with a new City Manager coming on board, now is a good time to conduct strategic planning in a more in-depth process so Council knows what the drivers and restrainers are.

FIBER/INFORMATION TECHNOLOGY (IT)

Councilmember Leak expressed concern that the City did not have an employee on staff who could respond to the growth in fiber optic as well as manage IT needs of the City.

Councilmember Spencer explained that the City needs to be clear on its values and goals; however strategic planning is not static. He listed the following items that needed to be considered in strategic planning for fiber and IT:

- Do we have conceptual idea of what the City plans to do with fiber?
- Do we outsource it, develop it and manage it and our own IT needs?
- Need to look at cost benefit of outsourcing it versus doing it ourselves.

Mayor Parker suggested that once Mr. Nichols is onboard, perhaps in September or October a discussion needed to be held for long-term needs; however, at this time, for the purpose of the budget, Council needed to focus on the short-term needs.

A discussion ensued concerning whether a position for an IT person needed to be added to the budget and the cost of service from NWN.

Mrs. Carpenter explained that the NWN contract for IT services is \$117,000.00 per year and the City must also purchase service blocks agreements that are out of the ordinary contract. She added that the City has had service block agreements with NWN for many years. She further added that the current contract with NWN ends July 2014. She added that an analysis of the service block agreements needed to be performed to determine what services were being performed under the service block agreements.

Following further discussion, it was consensus of Council for the Interim City Manager and Mrs. Carpenter to work on a cost analysis to determine if it was best to continue contracting for IT needs or adding staff.

Councilmember Leak reiterated that his main concern was the lack of staff to work with fiber optic.

Mrs. Carpenter stated that she would get with Mrs. Martin (HR Director) and Mr. Smith (Electric Services Director) to work on job descriptions that had been prepared in the past to determine if the job descriptions still meet the City's needs.

CAPITAL PROJECTS

The Interim City Manager explained that the Projects Inventory is distributed to Council quarterly and it includes a list of capital projects.

Upon question by Mayor Parker, the Interim City Manager explained that he had a separate spreadsheet for the FCC Project and this could be discussed as when Council wished.

Upon question by Councilmember Williamson, the Interim City Manager explained that the City will pursue grant funding with 50% match for the Leith Creek Outfall Project that was discussed in a presentation to Council earlier this year.

Upon question by Councilmember Spencer, the Interim City Manager explained that the Highway 74 Lighting Project had already been paid for by the City, and he was informed by NC Department of Transportation (DOT) staff that construction on this project was supposed to begin next week.

BEAUTIFICATION

Following discussion, it was consensus to include the “Medium” Beautification proposal presented by Mrs. Deese in the amount of \$87,000.00 in the Grounds Maintenance budget, but let the new City Manager work with staff to determine staffing level needed, whether a Director or Supervisor and how to best spend the funding.

Upon question by Councilmember Leak, the Interim City Manager explained that the current staffing level was approximately 154, down approximately 16 positions in several years due to mechanization.

MARKETING

Councilmember Spencer explained that the City needed to determine if it would market itself passively through its partners or take a more aggressive approach to capture audiences. He suggested that perhaps some cross-training could be conducted to increase the employees’ opportunities to work on public relations.

The Interim City Manager explained that in December a contract with Hughes Marketing to develop a marketing program for the City’s utilities was halted because it was not included in the budget. He added that Mr. Hughes has agreed to continue developing and working on that program to implement the program as he has it now. He then suggested that Council add \$8,000.00 to the budget to continue that marketing program with \$2,000.00 being reimbursable from ElectriCities. He further added that Mr. Hughes could present the marketing plan to Council.

Further discussion ensued concerning the need to market the City in a positive manner, whether working with Hughes Marketing, the Chamber, the County and Tourism Development Authority (TDA). Councilmember Spencer suggested that a more cohesive process of marketing the City needed to be developed.

Councilmember Willis suggested bringing the City, County, Chamber and TDA meet together to decide what is most important to sell Laurinburg other than just the services – to promote the quality of life to make people want to come to Laurinburg.

Further discussion ensued concerning marketing of the City in various ways. Councilmember Williamson suggested adding a little more money for marketing, such as a total of \$10,000.00, in Contingency, and begin discussions with the County, Chamber and TDA on how best to market the City and community.

It was consensus of Council to include \$10,000.00 in Contingency for marketing.

GROWING REVENUE STREAMS

A brief discussion ensued concerning improving efficiency and expanding and diversifying revenue streams.

Mayor Parker discussed the geographic limitation of expanding electric services. He added that the City’s curb and gutter requirements make it too expensive for developers to develop areas. He further added that by eliminating the requirement, there could be internal growth in the City by developing undeveloped lots.

MEASURABLE BENCHMARKS

Councilmember Spencer requested that measurable benchmarks be included in the budget to ensure that the City is getting measurable returns from all departments. He suggested for Public Safety to consider a decrease in crime rate and increasing the Community Watch Program as benchmarks to consider.

CONSIDER SETTING PUBLIC HEARING

Motion was made by Councilmember Williamson, seconded by Councilmember Spencer, and unanimously carried to set a public hearing to be held at 7:00 p.m. on June 18, 2013 in the Council Chambers of the Municipal Building for the 2013-2014 Department of Commerce Grant Cycle.

CONSIDER RESOLUTION SUPPORTING MAINTAINING FUNDING FOR THE RURAL CENTER AND GOLDENLEAF FOUNDATION

Mayor Parker explained that he had requested the preparation of this resolution upon recommendation by Senator Gene McLaurin. He added that that Mrs. Dee Hammond could hand-deliver the signed Resolution the next day to Senator McLaurin as she was going to Raleigh with the Chamber of Commerce.

Motion was made by Councilmember Adams to approve Resolution No. R-2013-11 which supports maintaining funding for the NC Rural Economic Development Center and the GoldenLeaf Foundation. The motion was seconded by Councilmember Spencer and the vote was as follows:

AYES: Adams, Spencer, Willis, Leak, Williamson

NAYS: None

(Resolution No. R-2013-11 on file in the Clerk's office)

REVIEW OF PROPOSED FY 2013-2014 BUDGET

Mayor Parker explained that the review of the proposed FY 2013-2014 budget and he wanted to list items approved and still to be considered by Council. Those items are as follows:

- Merging Finance and Accounting into one budget.
- Mrs. Deese had presented Cemetery & Beautification. He informed Mrs. Deese that earlier in the meeting Council approved her "medium" proposal for Beautification contingent upon staffing approval by the new City Manager.
- Letter regarding Rescue Squad Quick Response Vehicle presented by Mrs. Carpenter.
- Priority listing of streets and sidewalks was provided in a Weekly Update from the Interim City Manager.
- Humane Society information presented on May 21, 2013, but Council has not acted on its request.
- Youth Council and Farmers Market have not been decided at this point.
- Mr. Smith is to provide information regarding increasing area light charges by \$3.00 per month.
- Councilmember Leak expressed concern about security and thefts from the Public Works facility and wants staff to work on a plan.
- Merging Cross Connection and Water Distribution into one budget.
- Council requested additional information regarding sewer line study. Mr. McQuage explained that the \$300,000 mentioned for sewer line improvements included the recommended improvements by W.K. Dickson for Leith Creek Outfall Project and for expansion to Butler Trailer Park. He added that Butler Trailer Park expansion would be no more than \$50,000.00 and

would be done in-house. He further added \$250,000 for sewer rehab at Leith Creek Outfall would hopefully be partially funded by Clean Water Act Funds with half being a grant and half being a 0% interest loan. He explained that the budget needed to include \$40,000 in the budget for Administration which would be reimbursed out of the grant/loan.

The Interim City Manager explained that the current proposed budget did not include either of the sewer projects.

Following discussion, it was consensus of Council to add \$50,000.00 to the proposed budget for sewer expansion to Butler Trailer Park since the return on investment was approximately five (5) years.

Upon question by Councilmember Willis, Mr. Ellis reported that the State had agreed to allow the City to complete construction and operate Well 20.

Overtime and Other Employee Benefits

Councilmember Leak requested that the overtime for employees working the July 4th Fireworks Display for clean-up be included in the budget.

Upon question by Councilmember Adams, the Interim City Manager explained that this matter was discussed earlier in the day and estimated expenditures for overtime for this event would be presented to Council at the next budget workshop.

Mayor Parker resumed discussion of items remaining from previous budget discussions as with Overtime being the first item.

Councilmember Willis explained that he had wanted to see the amount of lapsed salaries because Council had been informed that some overtime was caused because of non-filled positions and he wanted to compare that figure with overtime to determine if there were any savings.

Further discussion ensued concerning overtime pay and the reason behind overtime pay. He questioned if there was a manpower issue or an efficiency issue, and the need to make that determination. He explained that budgeted overtime could be placed in Contingency and be justified before it could be spent, or there could be other ways to control overtime.

Upon question by Councilmember Adams, Mr. McQuage explained that the 4/10 workweeks allow 50 hour coverage of services for the City because the departments at Public Works have staff working 5 days a week. He added that if a water or sewer line breaks, the City has to fix it, and there is no way to predict when this can happen. He further added that with the 50 hours of coverage, this cuts down on overtime in his department.

Mrs. Martin explained that she had reviewed the 4/10 workweek in the Electric Department and the result of her study showed that if the department worked a traditional 5-day workweek, 1.5 hours in unproductive time would be lost each week because every morning, each employee has to spend time stocking his truck with tools and equipment he will need for that day's work. She stated that a 5-day workweek costs more in overtime than a 4/10 workweek. She added that the City needed to conduct a staffing study in each department.

Further discussion ensued concerning overtime and the need for justification. Mayor Parker suggested that in the General Fund to put \$10,000.00 total each month for overtime.

Mrs. Carpenter explained that most of the overtime occurs in the Fire and Police Departments. She further explained that if a murder or serious crime occurs or a fire occurs, then staff is needed at that time. She further added that depending upon the occurrences of fires and serious crimes, staff might have to ask Council for additional overtime every two (2) weeks.

Councilmember Willis suggested cutting the overtime budget in the General Fund by 20% and once an employee has worked 40 hours a week, that employee goes home.

Councilmember Spencer suggested that pending Mrs. Martin's staffing study of every department, put the General Fund overtime in Contingency, and then once the staffing study is completed, the amount would be adjusted.

Further discussion ensued concerning overtime. Mayor Parker suggested that some money be put in the budget for overtime and park some in Contingency, and when more is needed, staff would come back to Council with justification.

Mrs. Martin explained that there is a breakeven point where the City is spending more in overtime than it would cost to hire additional staff; however, that needs to be determined for each department.

Mr. Ellis explained that one of his biggest issues is staffing as he has 10 people to run the water and sewer plants and 32 lift stations. Therefore, if he has an employee get sick, another employee has to work thus earning overtime.

Mrs. Martin discussed changes made in the Personnel Policy that allowed for hiring different types of positions that would be non-benefit positions to add flexibility.

Following further discussion, it was consensus of Council to put half of the overtime budgeted for the General Fund in the departmental budget and the other half in Contingency.

Mayor Parker explained that the 401k information requested by Council was provided in the May 24, 2013 Interim City Manager Update.

Upon question by Councilmember Adams, Mr. Ellis explained that when the Legislature required local governments to put 5% in the 401k program for local law enforcement, Mr. Vandenberg, the City Manager at the time, did not feel it was fair to fund that percentage for law enforcement and not for all employees. He added that all employees were strongly encouraged to for all employees to contribute as much as they can.

Upon question by Councilmember Adams, Mr. Charles Nichols, County Finance Officer, explained that the County does not provide the same matching rate on 401k as the City, except for law enforcement officers.

Upon questions by Councilmember Williamson, Mrs. Martin explained that the City contributes 5% but does not require employee match. She added that a survey of municipalities and the range of contribution is from 3% to 5% with some municipalities contributing as high as 20%.

A discussion ensued regarding longevity. Mrs. Carpenter explained that longevity pay starts at \$200.00 after five (5) years of service and goes up every five (5) years with the maximum being \$700.00.

Upon question by Councilmember Williamson, Mr. Nichols explained that the County had to eliminate longevity.

Mrs. Martin added that with municipalities longevity is a standard benefit.

Upon question by Councilmember Leak, Mrs. Martin explained that the medical insurance carrier originally proposed a 3.5% increase in premiums, but she was able to negotiate no increase in premiums. She added that the average increase state-wide is over 8%.

Mayor Parker explained that the next item was audio-visual improvements to the Council room. The City Clerk explained that she was still researching and would be meeting with St. Andrews personnel who film the meetings to get their input on what would work best.

Following a brief discussion, it was consensus to put \$10,000.00 in the budget for audio-visual improvements to the Council Chambers.

Youth Council and Farmers Market

Councilmember Spencer explained that it was up to Council as to whether continuing with the Youth Council and the Farmers Market.

The Interim City Manager explained that \$7,500.00 was budgeted for the Youth Council and \$5,000.00 for the Farmers Market.

Mrs. Carpenter explained that staff had considered adding the overtime for the Fireworks Display to the Farmers Market line item because Mr. McQuage's staff also works the Farmers Market and that overtime is approximately \$2,500.00.

Upon question by Councilmember Adams, Councilmember Spencer explained that he hoped to expand the Farmers Market this year and purchase more tents and tables and advertise the Farmers Market more. He added that the biggest expenditures are advertising and entertainment. He explained that one of the needs is bathroom facilities as currently there are none.

Following further discussion, it was consensus of Council to fund the Farmers Market at \$6,000.00 which includes overtime pay for employees that set up and take down the tents and cleanup after the Farmers Market.

The Interim City Manager explained that the estimated expenditure for the Youth Council for FY 2012-2013 is \$2,500.00.

Councilmember Spencer explained that some of the funds budgeted for the Youth Council had been used for the Chamber's Young Entrepreneur Academy (YEA) and for the Crime and Drug Committee. He added that there are two (2) key departments, Fire and Police that have Explorer Programs, and he would like to provide \$1,000.00 for each program.

Upon question by Councilmember Adams, Councilmember Spencer explained that he was trying to have meetings of the Youth Council but with youth having too many involvements, it was difficult to have a quorum for a meeting, which is why he wanted to expand the program into the Fire and Police Explorer Programs.

Following a brief discussion, it was consensus of Council to fund the Youth Council at \$7,500.00.

Area Light Charges

Mr. Smith explained that he proposed increasing the monthly area light charges because the City's fee is much lower compared to Progress Energy and Lumber River Electric Membership Corporation. He added that even increasing the monthly charge by \$3.00 still is much lower than what other electric providers charge.

The Interim City Manager explained that a public hearing would have to be held in June in order to change the electric rate structure.

Upon question by Councilmember Adams, Mrs. Carpenter explained that the increase would result in an increase of approximately \$71,000.00 in revenue for the City.

Upon question by Councilmember Adams, Mr. Smith explained that this increase would affect residential and commercial customers.

Public Works Facility – Security and Thefts

The Interim City Manager explained that he had received an estimate of approximately \$9,000.00 to repair the current four (4) cameras at Public Works and add four (4) additional cameras. He added that he was waiting on another alternative plan from Electronic Services Corporation.

It was consensus of Council to add \$9,000.00 for security improvements at the Public Works Facility in the budget, with half of the funds placed in the Water/Sewer Fund and half in the Electric Fund.

Humane Society

The Interim City Manager explained that the Humane Society presented its budget request of \$90,000.00 at the May 21, 2013 meeting.

Following discussion, it was consensus of Council to fund the Humane Society at \$80,000.00, the same amount as last year.

Street Priority Listing

Upon question by Councilmember Spencer, Mr. McQuage explained that Beta Street was very low on the priority list for paving as it has no houses facing it.

Upon questions by Mayor Parker, the Interim City Manager explained that no money for street improvements was included in the proposed budget and that Beta Street was number 29 on the priority list and Deluca Street is ranked first.

Discussions then ensued concerning the following:

- Options to alleviate Mr. Glover's concerns regarding Beta Street including closing roads in the vicinity.
- Issues with paving Deluca Street. Current estimate to pave is \$200,000.00.
- Petition needed for street improvements. Once petition is submitted, Council considers for the next year's budget.
- Process for closing streets is by petition.

- The asphalt paver that is in the budget can be used to fix potholes and cracking so that when the City resurfaces streets in the future, streets will not be as difficult and expensive to resurface. The company that sells the asphalt paver will conduct training for employees.
- The need to pave longer portions of streets due to the mobilization fee charged by paving companies.

Recycling

Upon questions by Councilmember Spencer, the Interim City Manager explained that approximately 60-70% of residents participate in recycling and while recycling has been offered to all commercial customers, he does not have participation rate for commercial participation. He added that he is investigating another option to handle the recycling stream that may be more efficient than the current method.

Lighting

Upon question by Councilmember Williamson, Mr. Smith explained that upgrading the lighting on South Main Street from Holly Square Shopping Center north to Tucker Street would be completed in the future.

Demolition

A discussion ensued concerning the demolition budget including the following:

- Two (2) houses in Laurin Lakes were demolished
- The original funding request was \$30,000.00 for residential demolition and \$80,000.00 for commercial demolition; however the commercial demolition was removed from the proposed budget.
- Priority list for commercial demolitions can be provided to Council.
- Top priorities in commercial demolition include Market Furniture, the old high school gym, a burned building on McColl Road and two (2) of John Dorsey's buildings; however each location has difficult issues.

Following discussion, it was consensus of Council to not include funding for commercial demolition; however, staff can present commercial demolition to Council for consideration.

Upon question by the Interim City Manager, it was consensus of Council that the budget needed to follow the directives of no increase in tax rate and no increase in utility rates other than the area light charges discussed earlier in the meeting.

IT Staffing/Fiber Optic

Mr. Smith discussed the need to have an IT person on staff for fiber optic since there will be huge growth in that area for the City. Upon request by Councilmember Leak, he explained dark fiber.

Lighting

Councilmember Williamson expressed concern about the level of darkness outside the Municipal Building and the fact that it is a public building, it needs to be well-lit.

Consideration for Employees

Upon question by the Interim City Manager, Mayor Parker suggested that staff bring options for employee consideration to Council. The Interim City Manager explained that he would provide another draft budget and a draft budget message along with options for employee pay adjustments.

Upon question by Councilmember Adams, Mrs. Martin stated that the employee evaluation system purchased by the City was not workable for the City because each employee would be required to have an email account which would increase costs and not all employees have access to a computer.

Mayor Parker requested that Mrs. Martin conduct research and find a workable evaluation system.

Other Comments

Mr. Ellis reiterated that with the FCC Project, a sewer plant expansion would be needed and the City needs to be concerned about wells at the Water Plant because they are old and getting ready to fail.

Upon request by Councilmember Adams, Mr. Ellis explained that he would contact Mr. Chuck Willis who conducted the raw water system study to get a timeline and cost estimate for the wells.

After question by Mr. McQuage, it was consensus of Council for staff to pursue grant funding for the Leith Creek Outfall Project.

Mr. Pierce reiterated the need for an IT person on staff.

Upon question by Councilmember Adams, Mrs. Deese explained that she had received complaints regarding the Walgreens buffer. She explained that the approved site plan includes a 50-foot buffer and will be nicer and more attractive than the natural buffer originally proposed during the public hearing.

Upon question by Councilmember Willis, Mrs. Carpenter explained that there were several servers in danger of failing and she is waiting on firm estimates from NWN.

Following further discussion, it was consensus of Council to put \$30,000.00 in Contingency in the event there are server failures and new servers have to be purchased.

RECESS

Motion was made by Councilmember Willis, seconded by Councilmember Williamson, and unanimously carried to recess the meeting to 6:00 p.m. on June 4, 2013 in the Council Chambers of the Municipal Building.

The meeting recessed at 8:48 p.m.

Thomas W. Parker, III, Mayor

Jennifer A. Tippet, City Clerk