

**CITY OF LAURINBURG  
RECONVENED CITY COUNCIL MEETING  
MAY 12, 2014  
MUNICIPAL BUILDING  
303 WEST CHURCH ST.  
6:30 p.m.**

**MINUTES**

The City Council of the City of Laurinburg reconvened its April 22, 2014 meeting on May 12, 2014 at 6:30 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, Dolores A. Hammond, Andrew G. Williamson, Jr. and J. D. Willis. Councilmember Curtis B. Leak was absent.

Also present were Charles D. Nichols III, City Manager; and Jennifer A. Tippet, City Clerk. Leadership Team members present included: Cindy Carpenter, Finance Director; Harold Haywood, General Services Director; Betty Galloway, Human Resources/Risk Management Director; Stacey McQuage, Public Utility Director; Robert Ellis, Water/Wastewater Treatment Director; Robert Smith, Electrical Services Director; Police Chief Darwin Williams; Fire Chief Randy Gibson; Tim Pierce, GIS Administrator/Cemetery Supervisor; and Brandi Deese, Planning & Community Development Director.

Mayor Parker reconvened the April 22, 2014 meeting on May 12, 2014 at 6:33 p.m.

The Invocation was given by Councilmember Williamson.

**APPROVAL OF AGENDA**

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

**FY 2014-2015 BUDGET**

Mayor Parker asked everyone to be concise and respectful as this is the first budget meeting that council will be diligently working on the budget. He added that the City's reply to the Local Government Commission (LGC) concerning the Electric Fund would be discussed at the next budget meeting.

The City Manager reviewed the General Fund and provided the following information:

- General Fund Balance for FY 2012-2013 was \$3.6 million and the projected and Balance for FY 2013-2014 was \$3.4 million total and \$3 million undesignated Fund Balance.
- LGC requires governments maintain at least 8% Fund Balance. City policy is 16% undesignated Fund Balance and 23% total Fund Balance.
- At end of current fiscal year, the total Fund Balance is projected to be 48.57%.

- The budgeted transfer from the Electric Fund to the General Fund was not done this year due to letter from the LGC.

### **COST OF LIVING ALLOWANCE (COLA) OPTIONS**

The City Manager explained that the budget presented to Council did not include any compensation consideration for employees. He discussed several options including 2% and 2.5% COLA as well as a \$700.00 across the board increase for employees. He cautioned that if a dollar amount is given instead of a percentage increase, the pay schedule would be affected as new employees would be hired at a higher level than the current pay scale.

At the request of Council, the City Manager will send COLA information to Council.

### **FY 2014-2015 BUDGET**

The City Manager explained that Department Heads met on May 7, 2014 to review the proposed budget. He added that on that date the budget was out of balance by \$809,083.00. He further added that Department Heads met earlier in day and made cuts from the budget so that the budget was \$480,845.00 out of balance. He added that the current draft budget is balanced using Fund Balance. He further added that last year, the City spent 90-95% of budgeted funds in FY 2012-2013.

A discussion ensued concerning the General Fund Balance. Highlights are as follows:

- General Fund Fund Balance for 2013 was \$3.6 million. This year it is at \$3.4 million.
- Budget balanced using \$480,000.00 of General Fund and no monies from the Electric Fund.
- The 2014-2015 budget includes \$7.9 million in expenditures with a projection of \$7 million in actual expenditures.

A discussion ensued concerning the City's Fund Balance Policy and the LGC requirements. The City Manager added that because of the focus on the FCC Project, there were other projects that were not completed; therefore those budgeted funds would go back into the FY 2014-2015 Fund Balance.

Upon question by Councilmember Willis, the City Manager explained that he had reviewed budgets for the last 10 years and it has been the City's practice to use General Fund Fund Balance and Electric Fund Balance to balance the budget each year.

Councilmember Willis expressed concern that in the future, the City move away from using Fund Balance to balance the budget each year.

The City Manager reviewed the cuts made by Department Heads to the proposed budget:

- Deleted two (2) requested full-time firefighter positions
- Litter crew was moved from Beautification to Sanitation

- Police overtime was cut to \$18,000.00
- Reduced requested hydraulic tools from two (2) to one (1)
- Street survey was removed since street resurfacing was not included in the budget
- Purchase of truck for Cemetery deleted as satisfactory truck can be transferred from Electric to Cemetery
- Dirt removal buggies for the Cemetery deleted
- Reduced number of police vehicles to be purchased from five (5) to four (4)
- Truck for Garage was removed
- New microphone system for Council Chambers deleted

### ***Health Insurance***

The City Manager explained that quotes for employee health insurance have been solicited from two (2) local companies and the NC League of Municipalities. He discussed the two (2) options presented by First CarolinaCare, the current provider. He added that in discussing the options with the Leadership Team, it was recommended that if no COLA is included in the budget to continue with the current health insurance plan through First CarolinaCare which is a 90/10 plan; however, if a COLA is approved, it was recommended that the 80/20 option from First CarolinaCare be selected in order to keep costs down.

### ***Playground Equipment***

Mr. Nichols discussed the playground equipment behind City Hall and the liability to the City.

Following a brief discussion, motion was made by Councilmember Hammond, seconded by Councilmember Adams, and unanimously carried to remove the playground equipment.

A discussion ensued concerning construction of a new City Hall. Councilmember Willis requested that staff provide information on the cost of building a new City Hall.

### ***General Fund Revenues***

The City Manager reviewed the General Fund revenues which include an increase in property taxes due to FCC and the change in the privilege license tax by the State.

Mrs. Cindy Carpenter explained that the Perpetual Care line item included funds carried over from FY 2013-2014 for expansion in the Cemetery.

### ***Governing Board – 410***

The City Manager explained that in the Governing Board budget, the Dues & Subscriptions line item was increased due to increase in dues for the North Carolina League of Municipalities and the Professional Services line item was increased due to increased legal costs.

***Administration – 420***

The City Manager explained that the Management Trainee position was removed and a SmartTV for the conference room was included.

***Human Resources/Risk Management – 421***

Mrs. Galloway explained that this budget included \$1,200.00 for a desktop computer. She added that she is looking at a different service recognition provider so that employees can choose a gift from a catalogue rather than the pin currently given.

***Finance/Accounting – 441***

Mrs. Carpenter explained that the check signer must be replaced as it is obsolete.

***Tax – 460***

Mrs. Carpenter explained that this budget is the same as the previous year. She added that the Tax Collector just passed the test for the certification required; however, the Tax Collector must be employed in that position for two (2) years in order to be awarded the certification.

***Building Maintenance – 500***

Mr. Haywood explained that Building Maintenance & Repair line item was decreased from the previous year due to less projects projected for the upcoming year. He added that he included in the budget painting windows, pressure washing and replacing ceiling tiles. He further added that also included in the budget is \$2,000.00 for pressure washing the Barrett Building.

The City Manager explained that the windows had been secured and the new doors had been installed at the Sanford Building.

A discussion ensued concerning the Barrett Building operating costs and repairs including heat pumps and the roof.

***Community Development – 501***

Mrs. Deese explained that the Vehicle Maintenance line item was increased to purchase new tires for the Explorer.

***Planning – 503***

Mrs. Deese explained that one-half (1/2) the cost of the update to the Unified Development Ordinance (UDO) was included in the budget and a new computer for the Zoning Officer.

### ***IT – 502***

The City Manager explained that this is the new IT Director position. He discussed recruitment efforts, responsibilities of the position and the use of NWN for IT needs.

### ***GIS – 504***

Mr. Pierce reported that the GIS server will need to be replaced and that the County pays for one-half (1/2) the replacement cost. He also discussed the need to locate the server in an environmentally controlled environment instead of in a closet.

The City Manager explained that he has discussed upgrading the City's servers with several companies. He added that there is a possibility of utilizing space at the EOC; however this would require upgrading the fiber from Public Works to the EOC.

### ***Grounds Maintenance – 505***

Mrs. Deese reported that \$10,000.00 was carried over from FY 2013-2014 budget due to delay in getting all of the new entrance signs. She briefly discussed landscaping on the round-about on Johns Road, landscaping for the Sanford Building and at the intersection of Gill and Railroad Streets, the Ipad required for the Talking to Trees Grant, purchase of pole saw and new lawnmower.

The City Manager explained that staff is researching options for pruning trees and shrubbery at the Highway 74 interchanges and he has contacted Kevin Hedrick with the Department of Transportation.

### ***Cemetery – 506***

Mr. Pierce explained that the Travel & Schools line item was increased because employees needed to be certified to use chemicals and that the budget included three (3) new lawnmowers.

The City Manager explained that upon a Councilmember's request, staff prepared information concerning the City opening and closing graves. Following a brief discussion, it was consensus for this matter to be discussed at a retreat.

### ***Police – 510***

Chief Williams discussed the need to increase the Travel & Schools line item and the Uniforms line item due to being at full staff. He explained that the new School Resource Officer positions were included in the budget and that the salaries for the positions would be reimbursed by Richmond Community College and the School System.

Following a brief discussion concerning the need to purchase new tasers, motion was made by Councilmember Willis, seconded by Councilmember Williamson, and unanimously carried to support the Police Chief's purchase of tasers from the Taser Company without warranty out of

the FY 2013-2014 lapsed salaries and that the old tasers from the Carbone Company be properly stored.

### ***Fire – 530***

Chief Gibson discussed the following:

- The use of comp time for full-time staff to reduce overtime costs.
- Use of part-time staff to fill in when full-time staff is sick or on vacation.
- Increase in Uniform line item because of increase in volunteers.
- Equipment purchases include hose and life safety equipment, respiratory fit testing equipment and hydraulic extrication tool.

The City Manager discussed the new fire tower and the removal of the current fire tower at the North Station. He explained that the estimated cost to build the new fire tower is approximately \$35,000.00 and that Chief Gibson is reviewing ways to bring the cost down. He added that \$10,000.00 was included in the budget for the new fire tower and \$10,000.00 was expected from the Firefighters Association.

### ***Rescue Squad – 535***

The City Manager explained that the Rescue Squad is requesting an ATV at a cost of \$20,000.00

### ***Public Works Administration - 545***

#### ***545-Public Works Administration***

Mr. Haywood explained that the Maintenance and Repair line item included the City Works license and maintenance support.

#### ***Streets & Highways – 562***

Mr. McQuage explained that the budget included a dump truck and a zero-turn mower for right-of-way mowing.

#### ***Storm Drainage – 563***

Mr. McQuage explained that the budget included necessary repairs on Carver Street at an estimated cost of \$35,000.00.

#### ***Fueling Facility – 564***

Mr. Haywood explained that Maintenance costs had been increased because of the need to have sensors to monitor the underground storage tanks, a new printer and replacement of the canopy.

***Garage – 565***

Mr. Haywood explained that the Salary line item was decreased due to retirement of a long-time employee and that the Materials & Supplies line item was increased to purchase new tools.

***Animal Control – 590***

Chief Williams explained that the only major purchase in this budget was a new canine.

***Non-Departmental – 660***

The City Manager explained that Travel & Schools line item was increased to allow two (2) department heads attend the Municipal and County Administration course at the School of Government. He added that Chief Williams and Chief Gibson would be submitting applications to attend the course.

Mrs. Carpenter explained that staff included \$80,000.00 in the budget for the Humane Society even though it had requested \$95,000.00.

Upon question by Councilmember Williamson, the City Manager explained that the Youth Council funding was for scholarships for the Laurinburg/Scotland County Area Chamber of Commerce's Young Entrepreneur Academy (YEA).

Following discussion, it was consensus of Council to discuss the Solid Waste Fund on May 20, 2014, and the Electric and Water/Sewer Funds on May 22, 2014.

Upon question by Mayor Parker, Mr. Ellis explained that small pump station is operational at the FCC facility and two (2) of the pumps have been tested with one (1) seal failure. He added that FCC plans to start production in October 2014.

**RECESS**

Motion was made by Councilmember Williamson, seconded by Councilmember Adams, and unanimously carried to recess the meeting until May 20, 2014 at 6:00 p.m. in the Council Chambers.

The meeting recessed at 8:45 p.m.

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Thomas W. Parker, III, Mayor

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Jennifer A. Tippett, City Clerk