

**CITY OF LAURINBURG
COUNCIL MEETING
NOVEMBER 18, 2014
MUNICIPAL BUILDING
303 WEST CHURCH ST.
LAURINBURG, NC
7:00 P.M.**

MINUTES

The City Council of the City of Laurinburg held its regular monthly meeting on November 18, 2014 at 7:00 p.m. in the council room of the Municipal Building with the Honorable Thomas W. Parker, III, Mayor, presiding. The following Councilmembers were present: Mary Jo Adams, Dolores A. Hammond, Curtis B. Leak, Andrew G. Williamson, Jr. and J. D. Willis.

Also present were: Charles D. Nichols III, City Manager; Jennifer A. Tippett, City Clerk; and William P. Floyd, Jr., City Attorney.

Mayor Parker called the meeting to order at 7:00 p.m.

The Invocation was given by Councilmember Willis.

APPROVAL OF AGENDA

Mayor Parker explained that he would like the agenda amended to include discussion of application for a GoldenLeaf Grant and setting a public hearing to consider amending the City's electric rates.

Councilmember Willis requested that a closed session on a personnel matter be added to the agenda.

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

PUBLIC COMMENT PERIOD

There was no one present to speak.

SUPER DOLLAR FIRE

Mayor Parker thanked the responders and local businesses that were involved with the Super Dollar Fire as listed below:

Local Agencies and Businesses

Scotland County Schools - 131 Gallons of Diesel Fuel for refueling fire trucks at the scene with mobile fuel truck

Papa Johns Pizza - Food

Smithfields BBQ & Chicken - Food and Drink
Burger King - Food

Fire/Rescue/EMS/Law Enforcement/Public Works

Aberdeen Fire Department - Ladder Truck and Manpower
Hamlet Fire Department - Ladder Truck and Manpower
Quehill Fire Department - Fire Engine, Air-Equipment Support Truck, and Manpower
Laurel Hill Fire Department - Fire Engine, Tanker Truck, Brush Truck and Manpower
Stewartsville Fire Department - Fire Engine, Tanker Truck, and Manpower
Gibson Fire Department - Stand-by Coverage at South Fire Station
North Scotland Fire Department - Stand-by Coverage at North Fire Station
Scotland County Rescue Squad - Heavy Rescue Truck, Rehab Support and Medical Coverage
Scotland County Emergency Medical Services - Medical Coverage
City of Laurinburg Electrical and Street Departments - Electrical Services and Barricade Placement
Laurinburg Police Department and C.O.P. Program - Traffic Control and Investigation Assistance

Note: Total of 65 First Responders involved in incident.

Mayor Parker explained that this was a very large fire, and the responders worked in a difficult situation to contain the fire and save surrounding buildings.

CONSENT AGENDA

The City Manager presented the Consent Agenda as follows:

- a) Consider minutes of October 15, 2014 special meeting/work session and October 21, 2014 meeting
- b) Consider Resolution No. R-2014-15 amending R-2013-04 which adopted a Purchasing Policy and Procedures Manual
- c) Notice of Finance Department Records Destruction
- d) Set public hearing to be held December 16, 2014 at 7:00 p.m. to consider a request to rezone from General Business to Residential-20 a 44.21 acre tract of land on Scotland High School Dr.

Councilmember Adams motioned to approve the Consent Agenda. Councilmember Leak seconded the motion and it was approved by the following vote:

Ayes: Adams, Leak, Williamson, Hammond, Willis
Nays: None

PUBLIC HEARINGS

CONSIDER REQUEST FOR A CONDITIONAL USE PERMIT FOR AN ACCESSORY

APARTMENT

Mayor Parker opened the public hearing.

Mrs. Brandi Deese, Planning & Development Director, being first duly affirmed, explained that Ms. Locklear is requesting a Conditional Use Permit for an accessory apartment on the second floor of the Gill House for housing for her family. She added that Planning Board unanimously recommended approval of the request. She further added that this is the type of trend Planning staff would like to see in the downtown area.

Upon questions by Councilmember Leak and Mayor Parker, Mrs. Deese provided the following information:

- Ms. Locklear is renting property owned by the Scotland County Historic Properties Commission.
- Part of the building must be used for commercial purposes in order to also have an apartment if the request is approved.
- The Conditional Use Permit runs with the land along with any conditions Council assigns to the permit.
- Ms. Locklear has met all applicable Building Code Requirements including emergency exit requirements.

Ms. Candace Locklear, being first duly sworn, explained that she is the owner of The Gill House Restaurant and that she had talked with Mr. Milligan of the Scotland County Inspections Department. She added that she has fulfilled all Building Code requirements. She further added that a friend who is a firefighter will be working with her and her family on how to use the fire escape ladder and determining fire escape routes.

There was no one else present to speak for or against this request.

Mayor Parker closed the public hearing.

Councilmember Williamson motioned to approve the request for a Conditional Use Permit for an accessory apartment at 203 West Cronly Street in that:

- The development is within the planning jurisdiction of the City of Laurinburg;
- The application is complete;
- The development is in substantial compliance with the regulatory provisions of the Unified Development Ordinance;
- The request will not materially endanger the public health or safety;
- The request will not substantially injure the value of the adjoining or abutting property;
- The request will be in harmony with the area in which it is to be located; and
- The request will be in general conformity with the Land Use Plan, Thoroughfare Plan or other plan officially adopted by Council.

The motion was seconded by Councilmember Willis, and carried unanimously.

CONSIDER AMENDING UNIFIED DEVELOPMENT ORDINANCE

Mayor Parker opened the public hearing.

Upon request by Councilmember Leak, Mrs. Deese explained that the proposed amendment to the Unified Development Ordinance (UDO) will allow ground-mounted solar arrays in the Residential-20 and Residential-20MH zoning districts by Conditional Use Permit, removes the permitted use in the Industrial zoning district, and maintains the supplemental regulations adopted by Council earlier in the year.

Upon question by Councilmember Hammond, Mrs. Deese discussed the stricter regulations for height, setbacks, landscaping and decommissioning of the solar array.

Mr. Charles Parker appeared before Council and explained that he lives in the Extra-Territorial Planning Jurisdiction (ETJ) and was present to voice his concern over the placement of solar arrays, but that he is not against solar arrays. He added that he wants Council to carefully consider the future of the area and the consequences of allowing the solar arrays to be located on main arteries into the community, thereby utilizing valuable property that could otherwise be used for economic growth in the community.

The City Attorney explained that a recent court case clarified requirements for Consistency Statements when adopting legislative changes to the zoning ordinance. He further explained that the Consistency Statements adopted by Council must be specific to each matter and state that the amendment is consistent with the City's Land Development Plan or other controlling plan. He added that he would discuss this matter with Council further next month.

Upon question by Councilmember Williamson, the City Attorney explained that the 1989 Land Use Plan is still appropriate even though it is currently under review by the consultant.

Following further discussion, the City Attorney explained that if this amendment is approved, then there would be a presumption that a ground-mounted solar array is a suitable use in the R-20 and R-20MH zoning districts if the conditions set forth in the UDO are complied with.

There being no one else to speak concerning this matter, Mayor Parker closed the public hearing.

Councilmember Willis motioned to approve Ordinance No. O-2014-17 amending Article X Permissible Uses Section 146 Table of Permissible Uses of the Unified Development Ordinance. The motion was seconded by Councilmember Leak, and the vote was as follows:

Ayes: Willis, Leak, Williamson, Adams, Hammond

Nays: None

(Ordinance No. O-2014-17 on file in City Clerk's office)

Councilmember Willis motioned to amend the previous motion to include the Consistency Statement as presented by the City Attorney, as follows:

The Amendment of the UDO to include Ground-Mounted Solar Array by Conditional Use Permit in the R-20 and R-20MH Zoning Districts is consistent with an adopted comprehensive plan and any other officially adopted plan that is applicable because:

1. R-20 and R-20MH zoning districts were established to allow low-density, single-family residences, two-family residences, multi-family residences, and agricultural land uses which are interspersed with large, undeveloped open areas. Ground-Mounted Solar Arrays have impacts on surrounding residential uses that are similar to agricultural uses. The requirement of a Conditional Use Permit will allow the City Council to carefully scrutinize each planned Ground-Mounted Solar Array to minimize the impact on surrounding land owners.
2. A stated goal of the 1989 Land Development Plan (the “LDP”) is to “encourage continued commercial development in appropriate amounts and types in locations suitable for commercial purposes.” This amendment will encourage commercial development by giving landowners in these zoning districts additional development options which will increase their income and generate additional tax revenues for Scotland County and the City of Laurinburg. In addition, Ground-Mounted Solar Arrays have a minimal environmental impact which is consistent with the general goal in the LDP of protecting environmentally sensitive areas from intensive development.
3. The development of Ground-Mounted Solar Arrays will assist in maintenance of the rural character of property zoned R-20 and R-20MH since Ground-Mounted Solar Arrays require significant amounts of open land for development.
4. It is anticipated that much of the development of Ground-Mounted Solar Arrays will occur in the City’s extraterritorial jurisdiction which will allow the City to guide the development of property along the fringe of the City limits to protect landowners on the edges of the City limits. This is also consistent with the LDP.
5. The required buffering and landscaping of Ground-Mounted Solar Arrays will be consistent with the planning goals of the LDP in “requiring landscaping to improve the appearances of properties abutting major thoroughfares.”

Reasonableness

The proposed amendment is reasonable and in the public interest in that it allows the development of Ground-Mounted Solar Arrays while giving the City Council oversight in the development process to assure minimum impacts on adjacent landowners.

The motion was seconded by Councilmember Hammond, and the vote was as follows:

Ayes: Willis, Hammond, Leak, Williamson, Adams

Nays: None

DELEGATIONS

NORAN SANFORD – CRIME & DRUG COMMITTEE

Mr. Noran Sanford, Chairman of the Crime and Drug Committee appeared before Council and explained that one (1) of the initiatives of the Crime and Drug Committee is to pull together all non-profit or very low-cost youth organizations twice per year to collaborate and discuss resources. He added that on behalf of the Crime and Drug Committee, he was requesting \$300.00 in funding to have an outside facilitator meet with such groups at a forum to be held in December. He further added that the Crime and Drug Committee would like to have such forums twice per year, and once per year to highlight an unsung youth in the community.

Upon question by Councilmember Adams, Mr. Sanford explained that he did not have a location for the forum yet as he is trying to obtain a neutral location. He added that the forum would probably be held on December 11, 2014.

Discussion ensued concerning the types of organizations that would be included in the forum. Mr. Sanford stressed that the youth groups needed to be those operating at no or at low cost.

Following further discussion, motion was made by Councilmember Hammond, seconded by Councilmember Adams, and unanimously carried to approve providing \$300.00 funding to the Crime & Drug Committee towards expenses for the planned Youth Forum.

CARL HEAD, GUSTAF C. LUNDIN – FISCAL YEAR 2013-2014 AUDIT

Mr. Carl Head of Gustaf C. Lundin & Associates presented the results of the Fiscal Year 2013-2014 Audit. He explained that his firm provides a reasonable assurance that the financial statements are free from any material misstatement. He added that the purpose of the firm's audit is to express an opinion which is an unmodified opinion, the best opinion that can be received in an audit. He then reviewed the following highlights:

	<u>General Fund</u>		
Net change in fund balance 2013	(101,314)		
Net change in fund balance 2014	(74,600)		
	<u>Electric</u>	<u>Water</u>	<u>Solid Waste</u>
Operating (loss) income 2013	(1,445,703)	(241,420)	(81,376)
Operating (loss) income 2014	(902,255)	(672,245)	44,959
Statement of Cash flows:			
Operating cash (loss) gain 2013	(741,086)	989,035	213,486

Operating cash (loss) gain			
2014	(986,550)	700,890	153,238

Mr. Head explained that this is the second year in a row that the City has had an operating loss, cash outflow, in the Electric Fund.

Mr. Head discussed the excess journal entries necessary to complete the audit. He also explained that it appeared that during the budgeting process this year, the City had appropriated Fund Balance in the Electric Fund that it did not have in order to balance the budget. He added that it appeared this was the second year that this had occurred in order to balance the budget.

Upon question by Councilmember Willis, Mr. Head explained that the FY 2013-2014 budget was balanced with appropriated fund balance which is not supposed to be done. He further explained that funds are being borrowed from the Water Fund in order to accomplish this.

Upon question by Mayor Parker, Mr. Head reiterated that the budget was balanced with appropriated fund Balance that did not exist in the Electric Fund, but instead from funds in the Water Fund. Mr. Head added that at budget time, the City should know how much money is available in each of its funds.

Mr. Head then discussed his concerns regarding the Electric Fund operating at an operating cash loss. He added that his firm highly recommends that the electric rate fee structure be reviewed. He discussed that the last wholesale rate increases were absorbed by the City and not reflected in its electric rates. He further added that during FY 2013-2014 \$1.2 million was borrowed from the Water Fund for the Electric Fund during the year, and if that trend continues, the Water Fund will be liquidated.

Discussion ensued concerning recommendations for internal controls as follows:

- Fixed assets are still maintained in an Excel spreadsheet and should be entered into the City's Accounting software.
- Purchase of items prior to purchase order being issued.

Mr. Head discussed the excess journal entries. He explained that the City has a lot of projects going on and he had to conduct some research on how to combine the capital project for FCC into a set of financial statements. He added that Council can always expect some journal entries.

Upon question by Councilmember Williamson, Mr. Head explained that when he is conducting the audit, he tests various accounts by reviewing the City's books and bank statements, and if the two do not match, then a journal entry is required to make the City's books match the evidence in the bank statement. He further added that there were approximately 10 more journal entries required this year compared to last year, and that 10 of those dealt with the FCC Project.

A discussion ensued concerning the auditor's completion of journal entries. Mr. Head explained that the auditor is not supposed to complete the journal entries, but that it does happen. He added that because each accounting firm undergoes a peer review, if the journal entries are not listed as an internal control deficiency, then the auditor could be said to have violated auditing standards.

A lengthy discussion ensued concerning the Electric Fund, the need to review the electric rates and past wholesale rate increases that were not incorporated into the City's electric rates. The City Manager explained that Council had discussed waiting on reviewing the electric rates until the asset purchase by Duke was completed in July 2015; however, if no action is taken until that time, the City would be looking at another \$900,000.00 to \$1 million loss.

Discussion ensued concerning the rate study and projections prepared by the City's previous electric engineering consultant.

A lengthy discussion ensued concerning the timing of conducting the public hearing to consider amending the City's electric fee schedule. It was consensus of Council for staff to begin review of electric rates and for the City Manager to provide an update to Council at its December work session, and possibly holding the public hearing in January, 2015.

NEUKIE AKU OPATA – SISTER CITIES INITIATIVE UPDATE

Ms. Neukie Aku Oyata appeared before Council to provide an update on the Sister Cities Steering Committee. She added that only one (1) of the members of the Steering Committee did not live in Scotland County.

Councilmember Willis motioned to approve Resolution No. R-2014-17 endorsing the efforts of the Laurinburg-Tema Sister Cities Steering Committee. The motion was seconded by Councilmember Adams, and the vote was as follows:

Ayes: Willis, Adams, Williamson, Leak, Hammond
Nays: None
(Resolution No. R-2014-17 on file in City Clerk's office)

CITY MANAGER REPORTS

CONSIDER RESCINDING ARTICLE II CITY COUNCIL SECTION 2-34 RULES OF PROCEDURE OF THE CODE OF ORDINANCES

The City Manager explained that this agenda item and the next were related in that the Council Rules of Procedure were being removed from the Code of Ordinances and proposed in a resolution.

Councilmember Hammond moved to approve Ordinance No. O-2014-18 rescinding Article II City Council Section 2-34 Rules of Procedure of the Code of Ordinances. The motion was seconded by Councilmember Willis and the vote was as follows:

Ayes: Hammond, Willis, Adams, Leak, Williamson
Nays: None
(Ordinance No. O-2014-18 on file in City Clerk's office)

CONSIDER RESOLUTION ADOPTING RULES OF PROCEDURE

Councilmember Willis moved to approve Resolution No. R-2014-16 adopting Rules of

Procedure. The motion was seconded by Councilmember Adams, and the vote was as follows:

Ayes: Willis, Adams, Williamson, Hammond, Leak

Nays: None

(Resolution No. R-2014-16 on file in City Clerk's office)

AWARD BANKING CONTRACT

Mrs. Cindy Carpenter, Finance Director, explained that requests for proposals for banking services had been initiated by staff in order to provide the highest quality service with the lowest costs. She added that after reviewing the proposals, staff recommended awarding banking services to First Bank, which will result in savings of approximately \$14,000.00 per year in banking fees.

Councilmember Willis moved to award the banking contract to First Bank for a term of four (4) years and authorize the City Manager, Finance Director and City Clerk to execute contract and other documents for banking services. The motion was seconded by Councilmember Adams and the vote was as follows:

Ayes: Willis, Adams, Leak, Hammond, Williamson

Nays: None

CITY REPRESENTATION AT MEETING WITH SENATOR ELECT TOM MCINNIS

The City Manager explained that newly elected Senator Tom McInnis had requested that the City appoint one (1) representative to meet Friday, November 21, 2014 and to bring the top three (3) or four (4) topics of concern.

Following a brief discussion, motion was made by Councilmember Williamson, seconded by Councilmember Willis, and unanimously carried to appoint the City Manager as the City representative at the meeting with Senator Elect Tom McInnis on November 21, 2014.

The City Manager listed the following topics for Council to consider as the topics to discuss with Senator Elect McInnis:

- Less stringent economic incentives for rural areas versus urban.
- Replacement of privilege tax revenue.
- Historic Properties tax credits.

Following a brief discussion, Mayor Parker suggested that Councilmembers provide input to the City Manager on topics and allow the City Manager to determine the most advantageous topics to discuss with Senator Elect McInnis.

GOLDENLEAF

The City Manager explained that there is a possibility of the City obtaining a grant from the GoldenLeaf Foundation to provide a revolving loan for downtown. He added that a letter of

inquire must be submitted by December 1, 2014 to the GoldenLeaf Foundation.

Motion was made by Councilmember Adams, seconded by Councilmember Leak, and unanimously carried to authorize a letter of inquire be submitted to the GoldenLeaf Foundation for possible grant to provide a revolving loan fund to downtown merchants.

CONSIDER SETTING PUBLIC HEARING TO AMEND ELECTRIC RATE SCHEDULE

Following discussion, it was consensus of Council for the City Manager to present an update to Council at the December special meeting/work session on proposed electric rate fees.

APPOINTMENT

LAURINBURG DOWNTOWN REVITALIZATION CORPORATION

The City Manager explained that with Mrs. Deese's resignation from the City, her unexpired term on the Board of Directors of Laurinburg Downtown Revitalization Corporation needs to be filled.

Motion was made by Councilmember Williamson, seconded by Councilmember Willis, and unanimously carried to appoint Mac McInnis to fill the one-year unexpired term on the Laurinburg Downtown Revitalization Corporation Board of Directors, which term will expire July 31, 2015.

COMMENTS

Councilmember Hammond explained that she and Mr. Nichols attended the Comprehensive Transportation Plan Steering Committee meeting which is discussing road improvements and sidewalks. She added that the Pedestrian Plan that Mrs. Deese conducted will be included in the Comprehensive Transportation Plan.

Mayor Parker thanked Mrs. Deese for her service to the City. He explained that she had done a wonderful job and had interacted well with citizens. He wished her well.

CLOSED SESSION

At 8:45 p.m. Councilmember Willis motioned to go into closed session pursuant to North Carolina General Statute 143-318.11(a) (3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the City and 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 Adams, and carried unanimously.

At 9:21 p.m. Councilmember Willis motioned to adjourn the closed session and resume the open meeting. The motion was seconded by Councilmember Williamson, and carried unanimously.

ADJOURN

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

The meeting adjourned at 9:21 p.m.

Thomas W. Parker III, Mayor

Jennifer A. Tippett, City Clerk