

**CITY OF LAURINBURG  
CITY COUNCIL SPECIAL MEETING/RETREAT  
APRIL 13, 2015  
MUNICIPAL BUILDING  
303 WEST CHURCH ST.  
5:30 p.m.**

**Minutes**

The City Council of the City of Laurinburg held a special meeting/retreat on April 13, 2015 at 5:30 p.m. in the Council Chambers of the Municipal Building with the Honorable Thomas W. Parker III, Mayor, presiding. The following Councilmembers were present: Mary Jo Adams, Dolores A. Hammond, Andrew G. Williamson, Jr, and J. D. Willis. Councilmember Curtis B. Leak arrived at 6:24 p.m.

Also present were Charles D. Nichols III, City Manager, and Jennifer A. Tippet, City Clerk.

Staff present included the following: Cindy Carpenter, Finance Director; Robert Ellis, Water/Wastewater Treatment Director; Harold Haywood, General Services Director; Stacey McQuage, Public Utilities Director; Robert Smith, Electric Services Director; Josh Coble, IT Manager; Police Chief Darwin Williams; Fire Chief Randy Gibson; Betty Galloway, Human Resources/Risk Management Director; Teddy Warner, Community Development Director; Tammie Simmons, Consumer Billing Manager; and Diana Chavis, Tax Collector.

Councilmember Willis gave the invocation.

Mayor Parker called the meeting to order at 5:30 p.m.

Mayor Parker recognized the following MBA students from St. Andrews University: John Laughter, Terry Laughter, Jennifer Lankford and Sherry Chance. He explained that they would be working on a Capital Improvement Plan (CIP) for the City.

Discussion ensued concerning the order of items to be discussed.

**CAPITAL IMPROVEMENT PLAN (CIP)**

The City Manager explained that the City had entered into an agreement with St. Andrews University for assistance with preparation of a CIP. He added that the group introduced previously chose to work on the CIP for the City and has begun gathering information to prepare a 3-5 year plan. He further added that anticipated completion date is the end of July when the plan will be provided to council.

**BUSINESS LICENSE**

Upon question by Councilmember Hammond, the City Manager explained that due to the State Legislature eliminating the authority for municipalities to charge privilege license fees, some municipalities are considering charging a business registration fee in order to have a listing of businesses and to protect its citizens.

Following discussion, it was consensus of Council for staff to continue researching a business registration fee to include in the FY 15-16 budget.

## **BUILDING CITY HALL**

The City Manager explained that staff had been researching the possibility of building a new City Hall including contacting the Local Government Commission (LGC) and other city managers concerning the Construction Management (CM) At Risk Model for assistance. Staff has begun working on a Request for Qualifications (RFQ) for architectural services and researching ways to cut costs on demolition of current buildings. He further added that to this point, no costs have been incurred by the City.

Following a lengthy discussion, motion was made by Councilmember Willis, seconded by Councilmember Williamson, and unanimously carried to authorize the City Manager to proceed with the RFQ process.

## **FIRE SUBSTATION AND TRUCK**

Fire Chief Randy Gibson discussed the following in connection with the proposed fire substation:

- Proposed location is behind the City's water tank on McColl Road.
- Construction funding would be supplied from County Fire Tax monies with some in-kind services provided by the City for water and sewer services.
- Substation would be a metal Butler building with two (2) bays and owned by the City after construction.
- City water is available but sewer would have to be extended a short distance.
- Location is ideal for improving the ISO rating which affects residential and commercial fire insurance premiums.
- Current County fire truck located at North Fire Station would be moved to the substation.
- Joint funding with County for new pumper/tanker that would be located at the North Fire Station.

Chief Gibson then discussed the purchase of a custom chassis fire tanker/pumper truck with joint funding between the County and the City. He discussed the costs and differences between a custom and commercial chassis vehicle.

Upon question by Councilmember Willis, Chief Gibson explained that with the \$300,000.00 provided by the County, the City would need to contribute approximately \$37,000.00 to purchase a two-door commercial chassis truck and \$125,000.00 for equipment for the truck.

Upon question by Councilmember Willis, Chief Gibson explained that the ISO Rating would take a big hit if the Fire Inspectors drove a vehicle other than a fire truck when conducting inspections. He further explained that if there should be a fire call when the Fire Inspector was driving another vehicle, it would be necessary for the Fire Inspector to drive back to the Fire Station, impacting response time.

Upon questions by Councilmember Hammond, Chief Gibson explained that the last fire vehicle the City purchased was the ladder truck. He also explained that if the City were to replace Engine

No. 6, the cost today to replace with the same vehicle would be \$449,000.00 and the purchase price was \$387,000.00.

A lengthy discussion ensued concerning differences in the types of chassis and the costs involved.

Upon question by Councilmember Williamson, Chief Gibson explained that the joint funding could be split between two (2) fiscal years by ordering the pumper/tanker in September 2015 to be delivered around July 2016 (out of FY 2015-2016 budget) and then the equipment could be ordered out of FY 2016-2017 budget.

Following further discussion, Councilmember Hammond motioned to authorize purchase of a custom chassis pumper/tanker vehicle in FY 2015-2016 budget year at \$449,000.00 and then purchase the necessary equipment in FY 2016-2017 budget year. The motion was seconded by Councilmember Adams and unanimously carried.

Motion was made by Councilmember Williamson, seconded by Councilmember Willis, and unanimously carried to begin planning stages for construction of the fire substation behind the City's water tank located on McColl Road.

A discussion ensued concerning annual cost to operate and maintain the substation. Chief Gibson will provide estimated construction costs including tie-in to the City's sewer and estimated annual operating costs.

Upon question by Councilmember Hammond, Chief Gibson explained that the construction of the substation was being timed with purchase of the fire truck. He added that it was hoped to begin construction in September and construction should take 10-12 months.

## **POLICE DEPARTMENT**

Councilmember Adams explained that since Police Chief Williams was present, perhaps Council should hear from him on the previous discussion concerning construction of a new police station.

Chief Williams explained that his officers were excited about the possibility of a new police station and it would be a great morale builder.

Upon question by Councilmember Willis, Chief Williams explained that in his first year as Police Chief, he had saved the City approximately \$200,000.00 with a vehicle rotation plan and in lapsed salaries.

Upon question by Councilmember Leak, Chief Williams explained that he was researching the cost of body cameras and had discussed possible grants with Mr. Warner, Community Development Director.

## **RECESS**

At 6:51 p.m. Mayor Parker called for a short recess for dinner.

The meeting resumed at 7:05 p.m.

## DELINQUENT TAXES

Ms. Diana Chavis, Tax Collector presented the following information:

<b>DELINQUENT TAXES BY YEAR</b>		
<b>(DOES NOT INCLUDE FORECLOSURES OR BANKRUPTCY)</b>		
	<b>PRINCIPAL FEES</b>	<b>TOTAL DUE</b>
2004	\$2,931.49	\$5,355.57
2005	\$5,011.56	\$8,706.86
2006	\$6,523.14	\$10,727.28
2007	\$11,852.17	\$18,250.43
2008	\$15,159.19	\$22,323.76
2009	\$20,771.73	\$28,658.33
2010	\$27,695.87	\$35,520.17
2011	\$48,983.70	\$58,714.01
2012	\$71,515.47	\$79,866.51
2013	\$95,873.30	\$99,006.40
2014	\$192,726.81	\$192,726.81
<b>TOTAL</b>	<b>\$499,044.43</b>	<b>\$559,846.13</b>

Upon question by Councilmember Williamson, Mrs. Carpenter explained that the law requires payments by taxpayers to be applied to the prior year(s) delinquent taxes first.

Ms. Chavis then reviewed her Procedures to Collect for Delinquent Taxes as follows:

1. Delinquent letter sent every year before February for current year taxes.
2. If I see that they have prior year taxes, I send another letter with amounts for all years.
3. Contact all employers to get a list of employees, vendors, and landlords.
4. I go through every employee or landlord individually.
5. If they owe taxes, I send a certified letter that states if it is not paid I will garnish their wages or rent that is owed to them. I have 30 days to receive a reply. Then I send another certified letter with garnishment attached to the employer and tax payer.
6. Review utility bills for customers and attach notes to utility accounts. If a customer is able to receive a refund for utilities, we check taxes before the refund is mailed. If they owe taxes we put the refund on the tax bill.
7. Make personal calls to tax payers.
8. If I cannot garnish, I send out a certified letter to tax payers stating that they owe delinquent taxes and they will be put in the debt set off program after 30 days if taxes have not been paid in full.
9. Foreclosures that are received from the county, we join in if the delinquent taxes are above \$500 per Bill Floyd. When I receive the summons, I send the taxpayer a certified letter stating that they owe the City taxes and they have 10 days to reply to the letter. After 10 days, I send everything to Bill Floyd's office. After I do my process it is out of my hands. When I receive the summons and it is less than \$500, I still send them a letter letting them know that the county has started the foreclosure process and they will still need to pay the City what they owe us.

10. I stay in contact with the County trying to get correct address, social security numbers and any other information that can be useful.
11. Starting this week, I have access to the Department of Commerce Employee Division of Employment Security. I will have to research a Social Security number to gain access to their employer and tax payer's correct address. Then I will start over with the garnishment procedure. We started this process in January 2015, but was just able to gain access this week.
12. We are looking into an online service that will help with collecting delinquent taxes. There will be a percentage for collection. This will help to get in touch with taxpayers that own property in the City but live out of state.

Ms. Chavis explained that currently approximately \$6,300.00 in taxes is owed on property that is in bankruptcy and approximately \$61,000.00 of taxes are owed on foreclosure properties.

Upon question by Councilmember Willis, Ms. Chavis explained that tax write-offs are done after 10 years.

Further discussion ensued tax write-offs, tax foreclosures and bankruptcies.

Upon question by Councilmember Willis, Mrs. Carpenter explained that the allowance for uncollected taxes is based upon review of historical data by the auditor and the finance director.

A lengthy discussion ensued concerning developing a foreclosure process for the City and the foreclosure process being followed by the County and the history of the County's tax foreclosures. The Finance Director and City Manager are to discuss the cost of tax foreclosures with the City Attorney and report back to Council.

Discussion then ensued concerning lot cutting delinquencies. Ms. Chavis explained that the lot cutting fees can be attached to tax foreclosures and staff can utilize debt set-off and garnishments to collect delinquent fees.

Mrs. Carpenter explained that some municipalities are utilizing an online service to collect delinquent taxes and utility bills. She added that staff is researching a collection service.

Further discussion ensued and Councilmember Hammond suggested that staff seek information on listserves concerning how other municipalities handle collections and foreclosures.

## **DELINQUENT UTILITY BILLS**

Ms. Tammie Simmons, Consumer Billing Supervisor, presented a brief history of the Consumer Billing area including employee turnover, responsibilities, and major projects. She also discussed the following:

- Staff is researching merging utility billing with the Munis system for better flow for accounting system.
- Each year doubtful accounts are purged. They are not removed from the system so that staff can still view the account and collect if possible through debt set-off or if the customer comes in to open another account.
- One collection problem area is the availability fees for water and sewer. From the annexation of 1994, there are approximately 100 customers who never tapped into City

services and are charged monthly availability fees. Several customers have never paid said fees which have accumulated up into the thousands. Some customers agreed to payment plans and are paying, while others refuse to pay.

Upon question by Councilmember Williamson, Ms. Simmons explained that the availability fees cannot be added to the tax bill. She added that the City can only require payment for the three (3) years.

Upon question by Councilmember Leak, Ms. Simmons explained that staff has attempted to collect the fees with judgments, but the cost of filing a judgment, staff time and very little results showed this was not an effective method to collect.

Further discussion ensued concerning availability fees. Ms. Simmons explained that Council did not want to require that citizens in the newly annexed areas connect to the City's systems in 1994. She suggested that the accounts be purged back so that only the three (3) years that the City is allowed to collect on utility bills, and then the City could collect if the citizen needs City services.

Ms. Simmons then discussed the changes in deposit requirements over the last several years. She added that currently one of the biggest problems is caused by landlords who will change names on leases in order to assist the renter who owes utility charges including possibly a portion of the deposit to the City since the City's policy has been to allow a customer to pay one-half (1/2) of the deposit upfront and the remaining one-half (1/2) with the first bill.

Further discussion ensued concerning deposits including requiring that the full deposit be paid up front, requiring the landlord to be responsible for the utility account, and how other municipalities handle delinquent accounts. Ms. Simmons discussed options such as requiring the landlord to be the contracting party instead of the tenant, charging a higher deposit or requiring the landlord and tenant to be co-contracting parties.

Councilmember Leak suggested requiring the full deposit be paid before utilities are turned on for customers.

Mayor Parker discussed cut-off day in Consumer Billing and that the Police have to be called to deal with customers.

Councilmember Willis suggested that staff and the City Manager develop a proposed policy that will be in the best interest of the City, its customers and City employees and present to Council.

Councilmember Adams requested to be provided additional information concerning the approximately 100 customers who are not paying the availability fees.

A brief discussion ensued concerning delinquent lot cuttings. Councilmember Adams discussed procedures the Town of Hamlet uses to collect lot cutting fees.

## **BEAUTIFICATION PLAN**

Mr. Teddy Warner, Community Development Director, discussed the following:

- Completed tree inventory and continually reassessed weekly. Dead trees removed as necessary and maintenance requirements taken care of.
- Every time a tree was taken down over the past year, at least one (1) tree was planted.
- Entrance signs. Plan to get all entrance signs fully illuminated.
- Proposing two (2) large entrance signs on US 74.
- Clean up in interchange areas is and will continue to be priority of Beautification and Public Works.
- New landscaping on Railroad Street.
- Shrubs planted on Lauchwood Drive on the roundabout.
- Landscaping work at the Sanford Building conducted on the United Way Day of Caring.
- Planted at least 50 right-of-way trees.
- City's Annual Tree Giveaway resulted in 150 trees given to residents.
- Just received 35<sup>th</sup> Tree City Award.
- Proposed projects for coming year:
  - Entrance signs on US 74
  - Plant right-of-way trees in North Main Street area
  - Additional trees on Lauchwood Drive up to the hospital
  - Applied for grant for 50-75 fruit trees to plant at the former service station lot and include sidewalks through the lot
- Develop plan to sell city-owned residential property to increase tax base and decrease maintenance costs.

Councilmember Williamson suggested re-evaluation of projects completed such as replacement of trees that died on South Main Street near its intersection with US Highway 401.

The City Manager explained that Beautification replaced some of the trees on South Main Street, but staff is now waiting until fall to plant additional trees.

Upon question by Councilmember Hammond, the City Manager explained that staff attended a meeting concerning the State's Wildflower Program. He added that it appears this program will be eliminated by the State in the upcoming budget.

Upon question by Councilmember Leak, Mr. McQuage explained that the interchange mowing agreement with NC Department of Transportation (DOT) automatically renews every year.

The City Manager discussed the cleanup of the interchanges including removing limbs and vines to improve the areas.

Councilmember Hammond suggested participating in the DOT's Swat A Litterbug Program and putting some of the cards in Consumer Billing for citizens to use.

## **2014 AUDIT**

Councilmember Willis expressed concern about the unfunded accrual liability for retiree health care benefits in the amount of \$2.6 million.

Upon question by Councilmember Willis, Mrs. Carpenter explained that this benefit is paid per budget year for the retirees eligible for health insurance coverage.

Upon question by Councilmember Willis, the City Manager explained that the actuarial study is conducted every two (2) years to show liability. He added that if Council wanted to start a fund for setting aside money for retiree health care, it can be done. He further added that currently, this is included in the budget each year based upon actual and anticipated retirees.

Mrs. Carpenter explained that Council may also want to discuss Workers' Comp as the City is self-insured up to \$350,000.00, and after that amount, the City has insurance. She added that Council could consider setting aside money in a fund in the event of a large Workers' Comp settlement so that the budget is not impacted so greatly in one (1) year.

Councilmember Willis requested a copy of the loan amortization schedule for the loan to Laurinburg-Maxton Airport Commission.

Upon question by Councilmember Willis, Mrs. Carpenter explained that the City is still receiving grant funds from the County for the Industrial Park, and the City should receive a check for \$250,000.00 soon for that project.

A brief discussion ensued concerning doubtful debt. The City Manager explained that the auditor pulls together that figure from various line items.

Discussion ensued concerning the auditor meeting with Council on an informal basis to discuss audit procedures and to answer Council questions. The City Manager will set up a time for the auditor to meet with Council.

## **HOMELESS SHELTER**

Councilmember Leak explained that he would like for the City to partner with another organization such as the County to provide a homeless shelter.

Mayor Parker explained that the Concerned Citizens for the Homeless offers a program for 18 months and requires that the individual undergo rehabilitation.

Councilmember Willis suggested having a representative from the Concerned Citizens group talk to Council to explain its program and forming a sub-committee to research a homeless shelter.

The City Manager explained that Ms. Galloway is on the Board of Directors of Concerned Citizens for the Homeless and Mr. Warner had begun researching grant opportunities.

Further discussion ensued concerning the homeless in the community and the need to know more about this issue. Mayor Parker suggested that the first step would be to bring someone from the Concerned Citizens for the Homeless to speak with Council and also for Mr. Warner research possible grants to develop a plan.

Councilmember Leak explained that with all of the projects within the last few years, he believed it was time for the City to apply for All America designation again.

## **PEDESTRIAN PLAN**

The City Manager explained that he had talked with John Brock, District Assistant Engineer for the Department of Transportation (DOT) about the US Highway 401 and West Blvd.

intersection. He added that Mr. Brock gave him a verbal response that even if the City expended all the funds, DOT would not allow striping or add a light because there was no sidewalk at that intersection. He further added that Mr. Brock inquired with his superior and DOT is removing sidewalks on DOT roads and not allowing construction of new sidewalks.

Further discussion ensued concerning construction of a sidewalk. Mayor Parker suggested that the City Manager keep this item for discussion later, because there did not appear to be any feasible solution at this time.

## **ROLES AND EXPECTATIONS, PERFORMANCE EVALUATIONS, MERIT PAY AND EVALUATION OF CITY MANAGER**

### ***Performance Evaluations/Merit Pay***

Ms. Galloway briefly discussed the City's performance evaluation form and research she has conducted with other municipalities. She suggest that she has narrowed down the forms to the top three (3) and she will have the Leadership Team review and then present the recommended form to Council.

A brief discussion ensued, and Mayor Parker suggested that Council be presented the top three (3) evaluation forms with Leadership Team recommendations.

Discussion ensued concerning merit pay with Mayor Parker polling Council on members' opinions, as follows:

- Councilmember Leak: Not in favor of merit pay.
- Councilmember Willis: Before it is considered must have evaluation system in place.
- Councilmember Adams: Need to have evaluation system in place and must have funds available to provide it consistently. She has seen a lot of problems with merit pay.
- Councilmember Williamson: Not opposed to the concept of merit pay, but must have evaluation system in place. Understands arguments for and against merit pay.
- Councilmember Hammond: Her experience with merit pay was positive because it is a way for the supervisor to measure performance. Must have the right performance evaluation system in place and the current forms used by the City have been in place since 1986. Sees there is a need for merit pay as some of City's employees deserve more than they get.

Discussion ensued concerning the method utilized by the City to budget for and distribute merit pay within each department.

### ***City Manager Evaluation***

Councilmember Hammond explained that she attended a class on evaluating the manager and board performance. She will provide sample manager evaluation forms to Council.

### ***Roles and Expectations***

Councilmember Hammond explained that the Roles and Expectations for the Mayor, Council, City Manager and City Clerk had been developed by a previous Council.

Discussion ensued concerning some word changes necessary such as changing “Management Team” to “Leadership Team”.

It was consensus of Council for Councilmember Hammond, the City Manager and the City Clerk to review the current document, make changes and bring back to Council for further discussion and/or adoption.

### **CITIZEN ACADEMY**

Councilmember Hammond explained that several years ago she suggested the City have a Citizen Academy to inform citizens how the City and local government works. She added that it would be a budget item as employees would need to work after-hours and refreshments would be provided.

### **ADJOURNMENT**

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

The meeting adjourned at 9:12 p.m.

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Thomas W. Parker III, Mayor

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Jennifer A. Tippett, City Clerk

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