

**CITY OF LAURINBURG
CITY COUNCIL MEETING
NOVEMBER 15, 2016
MUNICIPAL BUILDING
303 WEST CHURCH ST.
7:00 p.m.**

Minutes

The City Council of the City of Laurinburg held its regular meeting on Tuesday, November 15, 2016 in the Council Chambers of the Municipal Building at 7:00 p.m. with the Honorable Matthew Block, 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. Tippet, City Clerk; and William P. Floyd, Jr., City Attorney.

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

Councilmember Williamson gave the Invocation and then led the Pledge of Allegiance.

APPROVAL OF AGENDA

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

PUBLIC COMMENT PERIOD

Mayor Block briefly reviewed procedures and decorum for the Public Comment Period and for the meeting.

Mr. Charles Parker, Bluewoods Road, thanked Council for providing the Invocation.

Pastor Michael Edds, 1207 Blue Drive, requested that Council reconsider building the new City Hall and Police Station and instead focus on other needs in the community.

Mr. Brian Gainey, 218 West Blvd., expressed concern about the article in *The Laurinburg Exchange* that reported that the comments at the Citizen Input Meeting held on November 1, 2016 regarding the proposed new City Hall and Police Station were orchestrated. He explained that citizens could not have been more authentic.

Ms. Mary Evans, 401 Sugar Road, explained that if Councilmembers Hammond, Williamson and Willis vote in favor of the proposed new City Hall and Police Station, she would not vote for them should they seek re-election. She added that she would run against Councilmember Willis.

Mayor Block requested Ms. Evans to address Council as a whole and not individual members, and he also cautioned Ms. Evans to not discuss political candidacy.

Ms. Evans requested that Council reconsider the proposed new City Hall and Police Station and instead use the money to improve the City.

Dr. Bill Morgan explained that he believed that law enforcement needed to be consolidated in the County.

Mr. James Garby, 12900 Stratford Drive, expressed concern about having to pay \$900.00 for a sewer tap at his residence.

CONSENT AGENDA

Mayor Block presented the Consent Agenda as follows:

- a) Consider minutes of August 16, 2016 regular meeting; August 30, 2016 special meeting; and September 15, 2016 special meeting
- b) Consider Ordinance No. O-2016-12 Amending Ordinance No. O-2016-05 (Budget Appropriations Ordinance) to Receive \$94,000 Grant Funds from Rural Development Downtown Revitalization Grant- NC Commerce and add to Community Development 501-707300
- c) Consider Approving Amendments to the Records Retention and Disposition Schedule and Authorizing the Mayor, City Manager and City Clerk to Execute the Adoption Form

Councilmember Williamson moved to approve the Consent Agenda. Councilmember Adams seconded the motion, and it was approved by the following vote:

Ayes: Williamson, Adams, Leak, Willis, Hammond

Nays: None

CITY MANAGER REPORTS

DISCUSSION ON STORM DRAINAGE ISSUE AT 12560 CYPRESS DRIVE (FOLLOW-UP FROM OCTOBER 18, 2016 MEETING)

The City Manager explained that he and Mr. Stacey McQuage, Public Utilities Director, met with Ms. Francine McLaurin regarding the drainage issues at her residence at 12560 Cypress Drive which she discussed at the October 18, 2016 meeting. He added that the City had jet-rodded at the front of her property as well as the back tiles, and that Ms. McLaurin would let staff know how the drainage was after the next rain.

COMMUNITY DEVELOPMENT UPDATE

Mr. Michael Mandeville, Community Development Director, reported on the following activities:

- Work on the Pass Through Property on Main Street has begun by Public Works staff cleaning the property and grading the property. He added that part of the \$94,000.00 grant received by the City would be used to stabilize the building.
- He was seeking proposals for a stage at the Art Garden to construct a permanent 20 foot by 40 foot stage.
- Last week conducted Consumer Intercept Survey as part of the Downtown Associates Program. Will also be conducting business owners' surveys.
- Christmas lights have been installed downtown on the poles. Will be wrapping lighted garland around the poles this year.
- Christmas on Main will be on Sunday, November 20, 2016 from 1:00 p.m. to 5:00 p.m.

Upon question by Councilmember Hammond, the City Manager explained that the \$94,000.00 grant money had to be spent by the end of March, 2017; therefore lighting for the Pass Through Project had not been planned yet.

Upon question by Councilmember Williamson, the City Manager explained that DOT was still planning to work on landscaping at the major intersections. He added that plans had been submitted for the triangle area in at the intersection of South Main Street and US Highway 401. He further added that because DOT used that location for equipment storage during the recent repaving project, the land would have to be tilled before it could be planted. He added that planting would be done in the late winter/early spring.

CONSIDER RESOLUTION AUTHORIZING SALE OF LOT ON R. GRAHAM STREET (PIN ID 010041 01007) TO MR. JAMES MONROE AND WIFE, DEBORAH J. MONROE

The City Manager explained that Mr. and Mrs. Monroe had fully paid for the subject property on R. Graham Street.

Councilmember Leak moved to approve Resolution No. R-2016-15 authorizing the sale of lot on R. Graham Street (PIN ID 010041 01007) to Mr. James Monroe and wife, Deborah J. Monroe, for the sum of \$2,500.00 and authorizing the Mayor and City Clerk to execute the deed conveying the property. Councilmember Adams seconded the motion, and it was approved by the following vote:

Ayes: Leak, Adams, Hammond, Willis, Williamson

Nays: None

(Resolution No. R-2016-15 on file in City Clerk's office)

DISCUSSION AND DIRECTION CONCERNING THE CITY FUNDING THE DRAINAGE PORTION OF THE PEDESTRIAN IMPROVEMENTS AT THE INTERSECTION OF US 401 AND WEST BLVD.

The City Manager explained that North Carolina Department of Transportation (DOT) had submitted two (2) cost estimates for pedestrian improvements at the intersection of US Highway 401 and West Blvd. He added that one (1) estimate is for the sidewalk and pedestrian signal head, with a total of approximately \$176,000.00, and the other estimate is for the drainage work

which DOT is requesting the City fund. The drainage portion of the project is estimated to cost \$151,509.25. He further added that DOT would like to know if the City would participate in funding this project. He explained that staff is not requesting a budget amendment at this time; however, the funds are available in the Fund Balance when the project moves forward.

Following a brief discussion, motion was made by Councilmember Williamson, seconded by Councilmember Willis, and unanimously carried for the City Manager to inform DOT that the City would participate financially in the drainage portion of the pedestrian improvements at the intersection of US Highway 401 and West Blvd.

CONSIDER ORDINANCE NO. O-2016-13 AMENDING FY 16-17 BUDGET APPROPRIATIONS ORDINANCE (ORDINANCE NO. O-2016-05)

Mr. Josh Coble, IT Administrator, explained that he was requesting a budget amendment of \$6,100.00 of additional funding in order to make the final payment on servers. He added that this payment was inadvertently omitted from the FY 2016-2017, and that he had identified \$18,200.00 from his budget, leaving a balance of \$6,100.00 necessary.

The City Manager explained that the funds would come from the General Fund Fund Balance.

Councilmember Adams moved to approve Ordinance No. O-2016-13 amending the FY 16-17 Budget Appropriations Ordinance (O-2016-05) by increasing Appropriated Fund Balance (10-439900) and adding \$6,100.00 to IT (502-703400). Councilmember Willis seconded the motion, and it was approved by the following vote:

Ayes: Adams, Willis, Leak, Williamson, Hammond
Nays: None
(Ordinance No. O-2016-13 on file in City Clerk's office)

CONSIDER CLOSING PORTION OF ROPER STREET FOR CHRISTMAS ON MAIN

The City Manager explained that the Arts Council had requested that a portion of Roper Street be closed on Sunday, November 20, 2016 between 12:00 p.m. to 6:00 p.m. for Christmas on Main. He added that the vendors would be located on this portion of Roper Street.

Motion was made by Councilmember Hammond, seconded by Councilmember Adams, and unanimously carried to close a portion of Roper Street, from Atkinson Street to South Main Street, from 12:00 p.m. to 6:00 p.m. on Sunday, November 20, 2016.

DISCUSSION OF PROPOSED CITY HALL AND POLICE STATION

The City Manager explained that staff had nothing to present concerning the proposed City Hall and Police Station, and that this item was requested to be on the agenda by Council.

Councilmember Adams explained that she had questions based upon the public input session held November 1, 2016 concerning the proposed new City Hall and Police Station. She requested

that the City Manager address the concern by citizens that the water/sewer rate increase and the change in the electric rate were made in order for the City to proceed with a new City Hall and Police Station.

The City Manager explained that when Davenport & Company, the finance consultant, reviewed the City's financials and projected the percentage each fund would pay for financing, the company based the percentages on the usage and square footage of the building. He added that this led Davenport & Company to propose that 66% would be attributed to the General Fund, 16.67% to the Electric Fund, and 16.67% to the Water/Sewer Fund. He further added that the Local Government Commission (LGC) would have to approve the allocation of costs.

Councilmember Adams asked Mr. Nichols if the City had been stockpiling money from the increase in utility rates to hold in a secret account for the proposed new City Hall.

The City Manager explained that the increase in the water/sewer rates was done because the Water/Sewer Fund money had been depleted and there was zero dollars cash in the fund. He added that the costs of operations to treat water and sewer had increased such that the fees were no longer covering the operating costs. He further added that in addition, Robert Ellis, Treatment Plants Director, employed at the City for 36 years, knew of only one (1) other increase in water/sewer rates.

Councilmember Willis explained that for years, the City had used money from the Electric Fund in order to balance the General Fund such that the Electric Fund no longer had cash. He added that the Water/Sewer Fund had no cash because the cost of operating exceeded revenues, so that the water and sewer rates had to be increased. He further added that the City had received caution letters from the Local Government Commission (LGC) for several years. He further explained that the reason that the City reduced electric rates by only seven percent (7%) was due to the need to replenish necessary supplies and to construct another electric substation which had been discussed by Mr. Robert Smith, Electric Services Director. He added that the City would not have to increase taxes, water rates nor electric rates to finance the proposed new City Hall and Police Station. He further added that the City had paid off \$562,000.00 in debt and due to the new formula for redistribution of local sales tax, the City would see increased revenue.

Councilmember Hammond reiterated that the Water/Sewer Fund had been depleted and the increase was necessary in order to balance the budget in that fund.

Councilmember Williamson discussed the City's past practice of transferring funds from the Electric Fund in order to balance the General Fund, which helped deplete the Electric Fund.

The City Manager explained that in 2012-2013 the North Carolina General Assembly passed legislation restricting transfer of funds from enterprise funds to the General Fund, which the City had previously done. He added that cost allocation is legal and the City does that through the "Management Fees". He further added that in the most recent audit of FY 2014-2015, the Electric Fund had to borrow \$1.2 million from the General Fund in order to balance the Electric Fund budget.

A discussion ensued concerning the automatic meter reading devices purchased by the City several years prior.

Mayor Block explained that the “stockpiling of funds” to which he alluded in his newspaper column was a result of the City realizing that the fund balances were in bad shape, and made the decision to raise water rates by 35% almost overnight, and at about the same time, reduced electric rates by seven percent (7%) instead of the wholesale rate reduction of 14%. He further added that at about the same time, Council authorized a contract in the amount of \$500,000.00 with the architect to build a new City Hall and Police Station. He further added that he believed that Council increased utility rates too much, and that if a new City Hall and Police Station was not built, utility rates could be reduced and the tax rate could be reduced by six percent (6%) to seven percent (7%).

Councilmember Leak explained that when the industries left Scotland County, the community went through a financial crisis, and the City decided to be customer-friendly and try not to increase utility rates.

Councilmember Hammond explained that during the time period of 2009 to 2011, wholesale electric rates were increased several times and not all of those increases were passed on to the City’s electric customers.

Councilmember Williamson explained that when he first came on Council, he was told that Council was exploring a Space Needs Study. He added that, neither publicly or privately, has any member of Council said that Council would come up with a scheme to park funds to build a City Hall and Police Station. He further added that the timing of considering a new City Hall and Police Station came right on the heels of Council considering the status of the enterprise funds and the utility rate changes. He further explained that the financial consultant has said that the City could afford a new City Hall and Police Station, and that he believed it is time for the City to invest in itself.

Mayor Block explained that he did not understand why Council was opposed to an efficiency firm investigating the need for a new City Hall and Police Station. He added that the citizens want this matter handled in the least expensive manner while providing a safe work space for employees.

Councilmember Leak motioned to build a new City Hall and Police Station with the 21,675 square foot design, with a maximum cost of \$8.5 million.

Councilmember Adams seconded the motion but requested that the construction cost be discussed.

Upon question by Councilmember Hammond, Mr. Harold Haywood, General Services Director, explained that the next step is Phase II, design development whereby the architect will prepare the development documents and work with the contractor to develop an estimate on cost of construction.

Upon question by Mayor Block, Mr. Haywood discussed the five (5) phases in the Construction Manager At Risk program. The first phase is what Council has been considering thus far. Phase II is design development, Phase III is preparation of the construction documents, Phase IV is the bidding and negotiations, and the last phase is construction.

Following a brief discussion, Councilmember Leak amended his motion to remove the \$8.5 million maximum construction cost.

Following further discussion, Councilmember Leak amended his motion to move forward with Phase II, design development, in the process to build a new City Hall and Police Station. Councilmember Adams seconded the amended motion, and the vote was as follows:

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

APPOINTMENT

FT. BRAGG REGIONAL LAND USE ADVISORY COMMITTEE

Motion was made by Councilmember Hammond, seconded by Councilmember Willis, and unanimously carried to appoint Michael Mandeville to the Ft. Bragg Regional Land Use Advisory Committee (RLUAC).

MAYOR'S REPORTS

SCOTLAND COUNTY PARKS & RECREATION ADVISORY COMMITTEE

Mayor Block explained that the first meeting in two (2) months of the Scotland County Parks & Recreation Advisory Committee was held earlier in the day. He added that the recreation center was not on the agenda but that he hoped it would be on the agenda in January.

COMMENTS FROM MAYOR AND/OR COUNCILMEMBERS

There were no comments.

ADJOURNMENT

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

The meeting adjourned at 8:17 p.m.

Matthew Block, MD, Mayor

Jennifer A. Tippet, City Clerk