

**CITY OF LAURINBURG
COUNCIL MEETING
NOVEMBER 21, 2006
MUNICIPAL BUILDING
7:00 P.M.**

Minutes

The City Council of the City of Laurinburg held its regular monthly meeting November 21, 2006 at 7:00 p.m. in the council room of the Municipal Building. The following Councilmembers were present: Rembert DeBerry, Lisa D. Griswold, Curtis B. Leak, Thomas W. Parker, III, and Herbert M. Rainer, Jr.

Also present were Craig F. Honeycutt, City Manager, Dolores A. Hammond, City Clerk, and Charles L. Hicks, Jr., Assistant City Attorney.

Councilmember Leak gave the invocation.

APPROVAL OF MINUTES

Motion was made by Councilmember Griswold, seconded by Councilmember Leak, and unanimously carried to approve the proposed minutes from the regular meetings held September 19, 2006 and October 24, 2006.

PUBLIC HEARING ON A REQUEST FOR A CONDITIONAL USE PERMIT TO DEVELOP A CLUSTER SUBDIVISION ON A 10-ACRE PARCEL OF LAND LOCATED ON PURCELL ROAD

Mayor Slaughter explained that this public hearing is a request by Bridge Creek Properties for approval of a Conditional Use Permit to develop a cluster subdivision on approximately 10 acres (22 lots) off Purcell Road. She then declared the public hearing open.

Mr. Bill Peele, first being duly sworn, explained that Mr. Greg Baines of Bridge Creek Properties, Inc. has requested that a Conditional Use Permit be granted for the development of a cluster subdivision. This 10-acre site is located off Purcell Road, directly across from the entrance to Huntington Park Subdivision.

A staff review of the development plan found that:

- The development is to be located 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.

He concluded by stating that Planning Board considered the request at its October 10, 2006 meeting and unanimously concurred with staff's recommendation that a Conditional Use Permit be granted.

Upon question by Councilmember Griswold, Mr. Peele stated that, in a cluster subdivision, the individual lot sizes are decreased with the cumulative amount of land saved required to be developed as usable open space.

Mr. Greg Baines, first being duly sworn, one of the owners of Bridge Creek Properties, Inc. stated that he and the other owners are primarily looking to address what they see as a trend in the housing market, and this request is for a cluster subdivision of 22 lots. He explained that the lot sizes would be smaller but with the same restrictions for setbacks as traditional subdivisions. He further explained that the homes would be marketed to attract retired or soon to be retired citizens. He stated that the price of the homes would be in the range of \$145,000.00 to \$200,000.00. He continued by stating that restrictive covenants are being compiled which will preclude any home from being used as rental property. He stated that, with this restriction, the subdivision would always be a homeowner's community and that a homeowner's association would be established. He concluded by stating that with the reduction of the lot size, a

common area will be established with a walking trail, picnic area, and community access to the lake.

Mr. Wayne Peele, first being duly sworn, also one of the owners of Bridge Creek Properties, Inc., stated that the previous owner was very specific about the common area and that she requested that the area be left as natural as possible. He stated that there is a duck pond, wildlife, and creek that runs through the area.

Upon question by Councilmember Parker, Mr. Baines stated that the homeowners association would own the common area. Mr. Baines also explained that there are currently six lots located towards the lake and that, if they chose not to develop the cluster subdivision, they would still be able to develop five lots without a conditional use permit.

Mr. Jorge Mir, first being duly sworn, appeared before Council to oppose the request. Mr. Mir stated that he was the individual most affected by the request because the property is located next door to him. He explained that he has three issues concerning the request: privacy, real estate values, and traffic concerns. He then explained that his privacy concern is that there would be at least 21 new neighbors located closer to him than those in the area already. He stated that he brought the property because it was secluded. He further explained that he feels his property values will decline because of having the cluster subdivision close to his property. He concluded by stating that, with the addition of more homes, the traffic will increase on an already heavily traveled road.

Mr. Harry Kruppenbach, first being duly sworn, appeared before Council to oppose the request. Mr. Kruppenbach stated that he represents the landowners from the Woodrun Subdivision side of the pond. He then stated that he is one of the trustees responsible for maintaining the pond and is concerned about the possibility of overuse of the pond.

Upon question by Councilmember Griswold, Mr. Kruppenbach stated that canoes and small boats (without gasoline engine) are allowed on the lake. He also stated that the pond is stocked with trout, bass, and grass carp. He then stated that fishing in the pond is allowed to the homeowners.

Mr. Lloyd Hinson, first being duly sworn, appeared before Council and stated that he had questions about the proposed request. He asked several questions of the Bridge Creek Property owners about the construction of the proposed homes and access to the lake.

Mr. Joe Knott, first being duly sworn, appeared before Council to oppose the request. He stated that he has two concerns. He explained that he is building a new house across the lake on Oakcroft Trail and that the cluster subdivision would be across the lake from his proposed home. He stated that his main concern is the support of the lake and questioned whether the new homeowners will support the lake. Mr. Knott stated he pays a small fee per year for the maintenance of the lake.

Mr. Baines stated that in the restrictive covenants there would be a provision that allows the homeowner to volunteer to maintain the lake. He further stated that the homeowners association would participate in the maintenance of the lake.

Motion was made by Councilmember Parker, seconded by Councilmember Rainer, and unanimously passed approving the conditional use permit based upon the following findings of fact:

- The development is to be located 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; will not substantially injure the value of adjoining or abutting property; will be in harmony with the area in which it is to be located; and will be in general conformity with the land use plan, thoroughfare plan, or other plan officially adopted by Council.

2005-2006 CITY OF LAURINBURG AUDIT REPORT

Mr. Carl Head representing Gustaf C. Lundin & Company, L.L.P. presented the results of the 2005-2006 audit of the City's financial records. He stated that the City received an unqualified opinion which is the best opinion that can be rendered. He briefly discussed the financial status of the City.

Mr. Head explained that there is an overall positive increase in the balance sheet for the City of \$792,000.00. He stated that during the audit some weaknesses were discovered with regard to internal controls within the accounting system. He noted some of the weaknesses as subsidiary records. He then stated that the recommendation is that the records be reconciled with the main general ledger on a quarterly basis. He explained that the subsidiary records relate to the billing system for the enterprise funds. He also stated that tax revenues are a similar situation and should be reconciled on a quarterly basis to the general ledger. He then explained that, regarding journal entries, a review of the entries revealed that several journal entries did not have an indication of supervisory or concurring review. He stated that the recommendation is that all journal entries made by the accounting personnel be reviewed and approved by Management.

He then explained that, in addition to the audit, staff audited the compliance requirements relating to the Kordsa USA Inc. water/sewer improvement project grant. He then explained that there was a finding relating to the requisition of funds from the North Carolina Department of Commerce. He continued by explaining that the error resulting in the finding had previously been corrected but was still considered a reportable condition.

REQUEST FOR A CONDITIONAL USE PERMIT TO EXPAND A CHILDREN'S DAYCARE CENTER LOCATED AT 11841 BARNES BRIDGE ROAD

The City Manager explained that Mrs. Vevely Malloy is requesting a conditional use permit to expand her existing daycare facility. Mrs. Malloy would like to construct an additional building in order to provide care for up to 30 infants. He stated that a motion is needed by the City Council in setting this public hearing.

Motion was made by Councilmember Griswold, seconded by Councilmember Parker, and unanimously carried to set a public hearing on a conditional use permit request to expand a children's daycare center located at 11841 Barnes Bridge Road to be held Tuesday, December 19, 2006 at 7:00 p.m. in the upstairs council room of the Municipal Building.

DOWNTOWN PARKING AS IT RELATES TO CHURCHES LOCATING IN THE AREA

The City Manager explained that at the October 24 City Council meeting, Laurinburg Downtown Revitalization Corporation (LDRC) presented the City Council with concerns about issues relating from churches being located in the downtown area. He then explained that the City Council had asked the Planning Board to look at possible changes to the City's Unified Development Ordinance to help address the concerns of LDRC. Planning Board met on November 14 to consider this matter and recommended by a vote of 4-2 not to change the Unified Development Ordinance and to continue to allow churches as permitted uses in the Central Business District. In addition, there was a unanimous recommendation for the City to implement the changes that were suggested in the Parking Study that was conducted in 2004.

Upon question by Councilmember DeBerry, the City Manager stated that there is no limit on how many churches could locate in the Central Business District.

Councilmember Parker stated that he disagreed with Planning Board's recommendation. He thought that perhaps the Board had considered the issue in light of the fact that we have 16% unoccupied buildings downtown. He added that he thought it was more important for the Central Business District to be reserved for the conduct of business. He further added that Mr. Bill Peele, City Zoning Officer, had pointed out to him that the City's zoning policy might not allow churches downtown.

Mr. Peele stated that the intent of the downtown business district is primarily retail, pedestrian-oriented shoppers, and service-type operations. The Unified Development Ordinance does not specify churches as a desired use downtown. He also stated that the Planning Board had determined that parking was not a deterrent for churches downtown; they saw the issue as to whether locating a church was appropriate in the Central Business District. He added that in Planning Board's discussion churches were compared with similar uses that have similar parking demands such as a restaurants, movie theaters, wellness centers, and educational centers like Richmond Community College. All of these

uses have the same or greater parking requirements. This led the Planning Board to conclude that parking was not the main issue with regard to churches locating in the Central Business District.

Councilmember DeBerry stated that the Central Business District was a special tax district and that churches do not pay taxes.

Councilmember Griswold explained that the property owner pays taxes and not necessarily the occupant.

Councilmember DeBerry pointed out that a church could purchase a building downtown and therefore would not pay taxes on that building.

Following further discussion, Councilmember Griswold stated that, while churches are a vital part of the community, they do not belong in the Central Business District. She suggested that the Unified Development Ordinance be amended so that churches are not allowed in the Central Business District.

Mr. Peele stated that such a change to the Unified Development Ordinance would require a public hearing.

Motion was made by Councilmember Parker, seconded by Councilmember Griswold, and unanimously carried to set a public hearing to consider an amendment to the Unified Development Ordinance so that churches are not allowed in the Central Business District to be held Tuesday, December 19, 2006 at 7:00 p.m. in the upstairs council room of the Municipal Building.

RESOLUTION ENDORSING THE NORTH CAROLINA LEAGUE OF MUNICIPALITIES STRATEGIC DIRECTIONS INITIATIVES

The City Manager explained that the North Carolina League of Municipalities is currently in the process of updating its Strategic Plan. He stated that included in the agenda is a copy of a proposed Resolution that the League would like to have adopted by its members.

Councilmember Griswold moved for the adoption of Resolution No. R-2006-35 which endorses the NCLM Strategic Directions Initiatives. Councilmember Leak seconded the motion, and it was approved by the following vote:

Ayes: Griswold, Leak, DeBerry, Parker, Rainer

Nays: None

(Resolution No. R-2006-35 on file in the City Clerk's Office)

RESOLUTION APPROVING THE DEVELOPMENT OF A COMPREHENSIVE PLAN FOR PEDESTRIAN IMPROVEMENTS

The City Manager explained that in joint collaboration with the Scotland County Recreation Department and Recreation Commission, greenways have been identified as a priority for our community. He explained that the proposed grant relates to pedestrian improvements.

The Assistant City Attorney stated that there is a typographical error in paragraph 3 of the proposed resolution and that the word "bicycles" should be changed to "bicycle".

Councilmember Griswold moved for the adoption of Resolution No. R-2006-36 as amended which approves the development of a comprehensive plan for pedestrian improvements. Councilmember Griswold seconded the motion, and it was approved by the following vote:

Ayes: Griswold, Rainer, Parker, DeBerry, Leak

Nays: None

(Resolution No. R-2006-36 on file in the City Clerk's Office)

RESOLUTION ENTERING INTO AN AGREEMENT WITH THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION FOR SIDEWALK IMPROVEMENTS AND AUTHORIZING THE MAYOR AND CITY

CLERK TO EXECUTE THE AGREEMENT

The City Manager explained that this proposed resolution and agreement begins the process of installing a 5-foot sidewalk along the south side of Lauchwood Drive. Scotland Healthcare System has agreed to fund \$15,000.00 towards this project.

Councilmember Parker moved for the adoption of Resolution No. R-2006-37, which addresses an agreement with NCDOT for sidewalk improvements and authorizes the Mayor and City Clerk to execute the agreement. Councilmember Griswold seconded the motion, and it was approved by the following vote:

Ayes: Parker, DeBerry, Leak, Griswold, Rainer

Nays: None

(Resolution No. R-2006-37 on file in the City Clerk's Office)

CERTIFICATION OF FIREFIGHTERS

The City Manager explained that the certified list determines eligibility for the \$50,000 line-of-duty death benefit as well as eligibility for Pension Fund credit as required by General Statute 58-86-25. The Interim Fire Chief recommends the following individuals be certified:

Michael Barnhill	John Evans	William McIntyre	James Tippet
Douglas Bowen	Michael Evans	Jimmy McPherson	James Weaver
Jeffrey Braswell	Randall Gibson	James Medlin	Chad Wright
Walter Brown	Joshua Glenn	Mark Renick	
Rodney Byrd	Christopher Jackson	Mark Sessoms	
Randy Chavis	John Johnson	Harold Smith	
Beverly DeBerry	Michael Laviner	Neill Smith	
Chadwick Donaldson	Robert Lewis	Brian Spear	
Charles Drennan	Donald Locklear, Jr.	Alonzo Spruill	
David Evans	Donald Locklear, Sr.	Franklin Strickland	

Motion was made by Councilmember Griswold, seconded by Councilmember Parker, and unanimously carried to certify the list of firefighters as recommended by the Interim Fire Chief.

NORTH CAROLINA EASTERN MUNICIPAL POWER AGENCY (NCEMPA)

The City Manager explained that at the North Carolina Eastern Municipal Power Agency (NCEMPA) meeting on November 15, a wholesale rate decrease of 1.5% was approved. He then explained that staff is not recommending a City rate decrease at this time due to the increase the City incurred in January of last year when the wholesale rate went up 10%. He stated that, at that time, the City had increased its rates only by 9.08%. He further stated that the City's electric margin is 8% and should be around 25%.

Councilmember Parker explained that he felt the City's electric rates needed to decrease when there is a decrease in wholesale rates because when the wholesale rates increase, the City increases its rates.

Councilmember Griswold explained that historically the City has absorbed wholesale electric rate increases over the past 15 years allowing the City's margin to decrease from 30% to 8%. She explained that this has resulted in the City being in a dangerous situation if there were to be a catastrophic event and there needed to be major capital improvements.

Councilmember Parker explained that he felt it was unfair for the City not to pass on a rate decrease when the City increased rates earlier this year because of a wholesale rate increase even though the City did not pass on the entire increase to the citizens.

Councilmember Rainer reiterated Councilmember Griswold's position that the City had historically absorbed wholesale rate increases. He added that the City needed to put some money back into the Electric Fund. He discussed transfers from the Electric Fund, the importance of the transfers and the importance of maintaining a good balance in the Electric Fund.

Mayor Slaughter stated that she would like a history of the City's actions on rate increases and decreases at the next Council meeting.

Further discussion ensued concerning the City's electric rates and the Electric Fund. The City Manager stated that during the current year, only \$55,000.00 was transferred from the Electric Fund because the working capital was not where it needed to be. The Electric Fund has been used for transfers, and it is time to build that fund back up. The Fund has decreased almost \$400,000.00 in the past 4 years. The City's Electric Fund needs to be in a very viable position. The City Manager stated that the Electric Fund needs to be the City's most solvent fund.

A discussion ensued about the City's electric customers subsidizing services for the City's non-electric customers because of transfers from the Electric Fund. Councilmember Parker stated that the City needs to get to a point where it receives a reasonable return, its rates are fair to the citizens no matter where they live in the City, there is not an over-abundance of subsidy coming from people who have City electric service for those who don't have City service, and rate increases or decreases are reflected in customer's bills rather than being absorbed or not recognized.

Further discussion ensued concerning electric rates, the Electric Fund, and transfers from the Electric Fund. The City Manager stated again that the Electric Fund needs to be the City's most solvent fund. He added that capital projects for other funds have been financed with loans from the Electric Fund.

Councilmember Griswold stated that she agreed with Councilmember Parker that it was not fair for the City's electric customers to subsidize services for the City's non-electric customers through transfers from the Electric Fund into the General Fund and the Solid Waste Fund. She added that this matter should be discussed at Council's retreat. Mr. Harold Smith, Public Works Director, stated that the issue of transfers from the Electric Fund to the other funds was being addressed by gradually decreasing the amount of the transfers. He added that it could not be done all at once. It has decreased from almost \$1,000,000.00 down to \$187,000.00.

There was no action either required or taken on this matter.

NON-PROFIT FUNDING POLICY

The City Manager explained that at the October City Council meeting, the City Council instructed him to look at policies for funding non-profit groups. He then explained that this came as a result of a request for funding of the Storytelling Event that is to be held at the John Blue House and Grounds in May.

He stated that he has drafted a policy combined from different municipalities and changed to address the needs of the City. He further stated that the proposed policy outlines whom the City would potentially fund as well as the mechanism for how the City would evaluate different requests for the City's limited funds.

Councilmember Griswold pointed out several corrections to the draft policy. They are as follows:

- Page 5, the heading should read "City of Laurinburg" and not "City of Laubinburg"
- Page 1 of "Non-Profit Policy - City of Laurinburg", paragraph 2 of Policy, "SUPPLEMENTAL" should be "SUPPLEMENT".

Councilmember Griswold added that if the City is going to establish a policy, Council needed more time to discuss the proposed policy, and she suggested that this matter be discussed at Council's retreat in January.

Upon question by Councilmember Leak, the City Manager explained that, if the policy is to be established during Council's retreat, Council should also set a limit on funding available for non-profits.

Following discussion, it was consensus of Council to take no action on any requests for funding from non-profit organizations until Council acts on the proposed policy and that the proposed policy be discussed at Council's retreat.

Councilmember Rainer stated that one change that needed to be made to the proposed policy is that instead of the Mayor and City Manager appointing a committee to review funding requests, Council should appoint the committee.

MELO ORGANIZATION (MEN ENHANCING THE LIVES OF OTHERS)

The City Manager explained that this organization is requesting that Council fund a work development project. He then stated that this request was also sent to the Scotland County School Board for possibly funding.

Following a brief discussion, it was consensus among Council for the City Manager to send the organization a letter explaining that Council would be considering a non-profit funding policy at its retreat and that, once a policy has been established, Council would consider the request.

AGREEMENT BETWEEN THE CITY OF LAURINBURG AND HAROLD SMITH

The City Manager explained that Harold Smith, Public Works Director for the City of Laurinburg, is considering retirement. He then explained that, if he does retire, the City would not only lose a valuable employee but an employee who has dedicated over 33 years of service to the community.

He explained that in order to take advantage of his vast knowledge, especially with the City's Wireless Broadband venture with Southeastern Utilities just getting started, he suggested that the City contract with Mr. Smith for a period not to exceed two years to serve as a consultant to the City to help ensure that this venture is successful. He stated that under the proposed contract, Mr. Smith would work, on average, a minimum of 16 hours per week and would be paid approximately 33.33% of his current total salary and benefits.

Councilmember Rainer expressed concern that the City had resigned itself that the Public Works Director was the only one that knew about wireless broadband. He suggested that the City should be able to find someone who has recently graduated or was going to graduate from college that has expertise in the field.

Councilmember Griswold explained that she was in support of the agreement because Mr. Smith had brought the wireless broadband venture to the City as a potential revenue source for the City.

Councilmember Parker expressed concern about the legality of entering into a consulting contract with a retired employee. Discussion ensued.

Councilmember Griswold moved to authorize the Mayor to execute the consulting agreement between the City of Laurinburg and Harold Smith as presented. Councilmember DeBerry seconded the motion, and the vote was 4-1 with Councilmember Rainer casting the dissenting vote.

OTHER

The City Manager explained that Police Chief Malloy has submitted his retirement notice effective December 31, 2006. He explained that it would be best to have the services of a consultant in order to assist in the selection of a new Police Chief, and requests for proposals have been solicited. He then explained that two responses have been submitted. He added that he recommends that Council choose Developmental Associates' proposal in the amount of \$7,875.00.

Following a brief discussion, it was consensus of Council to consider this matter at the next Council meeting.

PUBLIC COMMENT PERIOD

Upon question by Councilmember DeBerry, Mr. Stacey McQuage, Street Superintendent, explained that several of the leaf machines have been out of service; however, leaves are being picked up by the limb trucks. He added that the leaf machines should be in operation next week.

Councilmember Griswold requested that Mr. Harold Smith update Council and the public on wirelessbroadband internet.

Mr. Smith explained that anyone interested in obtaining wireless broadband internet service should contact Consumer Billing at 276-1521 to indicate his or her interest and be placed on a list. He then explained that the City would conduct a site survey to determine if the signal can be picked up. He stated that if the signal can be picked up, a \$75.00 set up fee and the first month's fee must be paid for service to begin. He then stated that currently the only antenna is on the water tank on Caledonia Road and that there has been a lot of interest expressed particularly in the south end of town. He further explained that the antenna has not yet been installed on the water tank located on the south end of town on McColl Road. He then stated that the antenna should be installed on the water tank on McColl Road in about two weeks. He also stated that currently only one customer has signed up, and he is that customer. He explained that he wanted to be able to monitor the signal and to see how far from the water tank the signal could be picked up.

Councilmember Parker stated that he had been contacted by several citizens who requested that lane markings be added on Plaza Road near the Lowe's entrance.

The City Manager stated that this issue had been brought before the Chamber's Transportation Committee. The Department of Transportation (DOT) has been contacted, and according to Kevin Hedrick, District Engineer, DOT did not consider this area to be a problem. He added that the Committee would continue to request that lane markings be added.

CLOSED SESSION

At 9:09 p.m. motion was made by Councilmember DeBerry to go into closed session, pursuant to North Carolina General Statute 143-318.11(a)(4), to discuss matters relating to the location or expansion of industries in the area served by this public body and to review minutes and/or general accounts of previous closed sessions. Councilmember Leak seconded the motion, and it unanimously carried to go into a closed session.

At 9:38 p.m., upon returning to the council room, motion was made by Councilmember DeBerry, seconded by Councilmember Rainer, and unanimously carried to adjourn the closed session and resume the open meeting.

ADJOURNMENT

Motion was made by Councilmember Parker, seconded by Councilmember Griswold, and unanimously carried to adjourn the meeting.

The meeting was adjourned at 9:39 p.m.

Ann B. Slaughter, Mayor

Dolores A. Hammond, MMC, City Clerk