

**CITY OF LAURINBURG  
SPECIAL COUNCIL MEETING  
DECEMBER 18, 2007  
MUNICIPAL BUILDING  
303 WEST CHURCH ST.  
LAURINBURG, NC  
6:00 P.M.**

**Minutes**

The City Council of the City of Laurinburg held a special meeting December 18, 2007 at 6:00 p.m. in the council room of the Municipal Building with the Honorable Matthew Block, Mayor, presiding. The following Councilmembers were present: Rembert DeBerry, Amanda B. Faulk, 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 Assistant City Attorney Charles L Hicks, Jr.

Councilmember DeBerry gave the invocation.

**LAURINBURG/SCOTLAND COUNTY AREA CHAMBER OF COMMERCE**

Mayor Block explained that the purpose of this meeting is to discuss funding of the Laurinburg/Scotland County Area Chamber of Commerce (Chamber) for the remainder of this year and also future funding of the Chamber for fiscal year 2008-2009. He then asked the City Manager to summarize the City's current funding status for the Chamber.

The City Manager explained that the City has had a contract for many years with the Chamber to conduct Economic Development efforts for the community. It was a joint contract between the City and Scotland County to fund the chamber to conduct Economic Development efforts which was considered a function for the public good.

He explained, that with the retirement of Jim Frank Henderson, President of the Chamber, the County has decided to stop conducting economic development through the Chamber and to hire its own Economic Developer. City Council has also agreed to fund a portion of the cost of hiring an Economic Development (\$35,000.00).

He then explained that the issue before Council is funding for the Chamber from January 1, 2008 to June 30, 2008 and funding for fiscal year 2008-2009. This issued has been discussed with the City Attorney. The City can only expend its funds for public purposes. General operations of the Chamber are not necessarily for the public good because the Chamber is a membership driven organization. He then discussed different programs that the Chamber sponsors that would be considered for the public good. He stated that the Chamber is asking for funding from the City for the period January 1, 2008 to June 30, 2008.

Upon question by Mayor Block, the City Manager stated that the City had budgeted \$35,000.00 for the Chamber in the 2007-208 fiscal year with the payment thereof in two payments. The first payment of \$17,500.00 was July 1, 2007 with the second payment (\$17,500.00) having been due January 1, 2008.

Councilmember Leak stated that his position is that the City in its 2007-2008 budget committed funding the Chamber \$35,000.00 and that the remaining \$17,500.00 should be given to the Chamber. He further expressed that discussions about future funding of the Chamber be considered at Council's upcoming retreat as well as in budget discussions for fiscal year 2008-2009.

Upon further discussion regarding funding and programs that the Chamber provides as a public good, the Assistant City Attorney commented that one thing that has not been addressed is that when the budget for the fiscal year 2007-2008 was set and the commitment of \$35,000.00 to the Chamber was made, the Chamber then set its own budget and

expended funds in anticipation of receiving those funds during the period of 2007-2008. The City's fiscal year and the Chamber's fiscal year are different (Chamber on calendar basis), but the Chamber could have already expended funds for Economic Development prior to the end of 2007 by using funds from the Chamber's general budget in anticipation of receiving the remaining funds from the City. He concluded by stating that, if that is what occurred, legally the City could still expend the remaining monies based on monies already having been spent for Economic Development even though the budget years are different.

Motion was made by Councilmember Leak, seconded by Councilmember Faulk, and unanimously carried to fund the Chamber the remaining \$17,500.00 allocated in the City's 2007-2008 fiscal year budget.

Mayor Block then stated that the understanding is that that Council will discuss future funding at Council's annual retreat. He also stated that, if the City is to continue funding the Chamber at any level, representation from Council or the Mayor should be included in the upper level of the Chamber in order to follow how the money is spent.

Guy McCook, Chairman of the Chamber, stated that the Chamber as tried to maintain representation on the Chamber Board from the City. He then stated that there are two staff members on the current Chamber Board.

Harry Yeatman, incoming Chairman of the Chamber, explained that the Chamber's by-laws state that the Executive Board cannot make decisions or expend monies with the approval of the Board of Directors. He then thanked the Council for its support.

Mayor Block stated, on behalf of the Board, that the City recognizes the value of the Chamber and volunteerism and would like to continue funding the Chamber but does need the legal justification to do so.

Following further discussion regarding accountability of monies allocated to the Chamber, motion was then made by Councilmember Leak, seconded by Councilmember Faulk, and unanimously carried that documentation be provided to Council as to the expenditure of the monies (\$17,500.00) previously allocated to Economic Development and as to the expenditures of the remaining \$17,500.00 allocation.

## **ADJOURNMENT**

Motion was made by Councilmember DeBerry, seconded by Councilmember Faulk, and unanimously carried to adjourn the meeting.

The meeting was adjourned at 6:55 p.m.

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Matthew Block, Mayor

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Dolores A. Hammond, City Clerk