

**CITY OF LAURINBURG
COUNCIL MEETING
FEBRUARY 19, 2008
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 February 19, 2008 at 7:00 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 Charles L. Hicks, Jr., Assistant City Attorney.

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

Councilmember Faulk asked that everyone remember Mrs. Myrtle Ware who passed away a couple of weeks ago and to also remember Mrs. Ware's family in their time of grief. She stated that Mrs. Ware was an avid community leader and active member during the City's 2003 All America City designation. Councilmember Faulk then gave the invocation.

APPROVAL OF MINUTES

Motion was made by Councilmember Leak, seconded by Councilmember Faulk, and unanimously carried to approve the proposed minutes from the citizen input session held January 17, 2008 and the regular meeting held January 22, 2008.

2006-2007 ANNUAL AUDIT REPORT

Mr. Carl Head representing Gustaf C. Lundin & Company, L.L.P. presented the draft results of the audit of the City's financial records for the fiscal year ending June 30, 2007.

Mr. Head stated that the financial statements are the responsibility of the City of Laurinburg management and that the firm's responsibility is to express an opinion on the statements. He then stated that he does expect to express an unqualified opinion on the statements and that that is a good opinion.

He reported that the General Fund had a decrease of approximately \$250,000.00. He explained that such is a normal fluctuation in the fund.

He then explained that the enterprise funds include the electric, water/sewer and solid waste funds. He stated that the electric fund had an increase of \$916,559.00; the water/sewer fund had an increase of \$583,369.00; and the solid waste fund had a decrease of \$51,006.00. He further noted that during the fiscal year 2006-2007 there was a computer crash with a loss of data in the enterprise billing system. He explained that he will have the final report by Friday, February 29, 2008. Even with the decrease, the City will still have strong financial statements for the enterprise funds.

He then reported the findings found during the audit. There were two findings and they were as follows:

- ? Lack of subsidiary ledger reconciliations (same finding as last year)
- ? Financial statement preparation and journal entries completed by Independent Auditor

He explained that there were improvements to the ledger reconciliations during the year, but there were not enough changes to remove the finding. He also explained that the financial statement preparation has always been handled by his firm and according to the new accounting requirements the firm can no longer prepare the statements. He stated that these statements must be prepared by City of Laurinburg management. He further stated that he has discussed these items with the Finance Officer so that next year they can be addressed and removed.

He then discussed the Letter to Management that recommends areas that the City can improve upon.

Upon question by Councilmember Parker, Mr. Head stated that the City will receive an unqualified opinion which the best opinion that can be rendered.

TAXATION

Ms. Janice Morrison, City Tax Collector, explained that as required by G.S. 105-369(a), on the second Monday in February of each year, the municipal tax collector must report to the governing board the total of unpaid taxes for the current fiscal year that are liens on real property. Ms. Morrison stated that there is \$235,631.34 in outstanding taxes that are liens on real property. G.S. 105-369(a) further states that the governing body shall thereupon order the tax collector to advertise liens. Ms. Morrison respectfully requested the order to advertise for March 7, 2008.

Motion was made by Councilmember Parker, seconded by Councilmember Rainer, and unanimously carried that the City Tax Collector be authorized to advertise the list of delinquent taxpayers on March 7, 2008.

ADJUSTMENTS TO THE 2007 TAX LEVY

Ms. Janice Morrison, City Tax Collector, requested that the following adjustments be made to the 2007 tax levy:

Release of the following taxes:

NAME	PP/RE	PROPERTY VALUE	YR	RATE	TAXES	REASON
American Fast Photo	PP	140	2007	0.4	85.39	Taxpayer filed amended
Branch Bank & Trust	PP	607	2007	0.4	22.42	Key punch error- cty
Brenda C Brazelton	PP	618	2006	0.4	67.84	Scroll dropped SC exempt
Brenda C Brazelton	PP	626	2007	0.4	8.00	Scroll dropped SC exempt
Michelle C Everette	PP	2153	2007	0.4	23.48	Double listing
Paula A Gill	RE	1-223-1-12	2004	0.38	185.88	Allow SC exemption
Paula A Gill	RE	1-223-1-12	2005	0.38	185.88	Allow SC exemption
Paula A Gill	RE	1-223-1-12	2006	0.4	195.66	Allow SC exemption
Morris Funeral Home	PP	5194	2007	0.4	10.82	Taxpayer filed amended
NPC International	PP	5434	2007	0.4	162.96	Amend acquisit value
Bernice Oxendine	RE	1-40-5-18	2007	0.4	80.00	SC exemption

Sandhills Mediation	RE	1-1-1-1	55,120	2007	0.4	220.48	Exempt property
Sandhills Mediation	RE	1-1-1-1	55,120	2007	0.21	115.75	Exempt property
US Filter/Ionpure	PP	7402	62,514	2007	0.4	250.06	Duplicate billing
US Filter/Ionpure	PP	7403	2,295	2007	0.4	9.18	Duplicate billing
Ultimate Look	PP	7409	2,650	2007	0.4	10.6	Closed March 2006
Donna K Waite	PP	7490	22,070	2007	0.4	88.28	Located in Laurel Hill

Discovery of the following accounts:

NAME	PP/RE	PROPERTY	VALUE	YR	RATE	TAXES	REASON
AT & T	PP	8098	713,784	2007	0.4	2,855.14	Public Service Co
Bellsouth Telecomm	PP	8099	11,347,327	2007	0.4	45,389.31	Public Service Co
Carolina Power/Light	PP	8108	2,422,765	2007	0.4	9,691.06	Public Service Co
CSX Transportation	PP	8101	577,003	2007	0.4	2,308.01	Public Service Co
Greyhound Lines	PP	8102	26,436	2007	0.4	105.74	Public Service Co
Laurinburg & Southern	PP	8103	164,241	2007	0.4	656.96	Public Service Co
Level 3 Communicat	PP	8111	27,755	2007	0.4	111.02	Public Service Co
Lumbee River EMC	PP	8104	190,509	2007	0.4	762.04	Public Service Co
MCI Worldcom	PP	8105	260,855	2007	0.4	1,043.42	Public Service Co
NC EMC	PP	8106	6,251	2007	0.4	25.00	Public Service Co
Piedmont Nat Gas	PP	8107	2,994,240	2007	0.4	11,976.96	Public Service Co
Kimberly E Pressley	PP	8086	2,000	2007	0.4	8.00	Not Listed
Donald Snead	PP	8091	2,500	2007	0.4	10.00	Not Listed
Donald Snead	PP	8092	2,500	2007	0.4	10.00	Not Listed
Donald Snead	PP	8093	2,500	2007	0.4	10.00	Not Listed
Donald Snead	PP	8095	6530	2007	0.4	26.12	Not Listed
Central School	RE	01-54-4-1	190,000	2007	0.4	760.00	No longer exempt
Crown Castle S LLC	PP	8112	46,525	2007	0.4	186.10	County clerical error

Motion was made by Councilmember Parker, seconded by Councilmember Rainer, and unanimously carried to adjust the 2007 tax levy as recommended by the tax collector.

RESOLUTION CONFIRMING ASSESSMENT ROLL AND LEVYING ASSESSMENTS TO A PORTION FIRST STREET

The City Manager explained that at the January City Council meeting, Council tabled the Resolution to Confirm the Assessment Roll for the First Street Improvements until the City Manager was able to meet with Dr. Moses Watson with concerns he brought up during that meeting. He stated that he had contacted Dr. Watson and Mrs. Nancy Walker regarding the assessment amount. He concluded by stating that the Laurinburg Housing Authority has agreed to pay one-half the assessment which is \$1,700.00 and Dr. Watson has agreed to pay the remaining assessment in the amount of \$1,700.00

Councilmember Parker moved for the adoption of Resolution No. R-2008-01 which confirms the assessment roll and levies assessment for street improvements on a portion of First Street. Councilmember Rainer seconded the motion, and it was approved by the following vote:

Ayes: Parker, Rainer, Faulk, Leak, DeBerry

Nays: None

(Resolution No. R-2008-01 on file in Clerk's Office)

AUTHORIZE CITY MANAGER TO EXECUTE AGREEMENT BETWEEN THE CITY OF LAURINBURG AND MELROSE SOUTH PYROTECHNICS, INC. FOR A FIREWORKS DISPLAY

The City Manager explained that the proposed contract was tabled from Council's January meeting as the City Council requested a formal response from the County on the sharing of the cost of the fireworks. The contract is for the conduct by Melrose South Pyrotechnics, Inc. a July 4, 2008 fireworks display. The cost this year for a show similar to the show last year has increased \$1000.00.

The City Manager stated that Chairman J. D. Willis, Chairman Scotland County Board of Commissioners, had notified him that Scotland County is willing to participate in the cost of the fireworks display.

Following a brief discussion, Councilmember Parker moved to authorize the City Manager to execute the agreement provided that Scotland County participate 50/50 in the cost with the City of Laurinburg.

The motion died for a lack of second.

Motion was then made by Councilmember Rainer to authorize the City Manager to execute the agreement between Melrose South Pyrotechnics, Inc. and the City of Laurinburg to conduct a July 4, 2008 fireworks display in the amount of \$11,000.00 with or without support from Scotland County. Councilmember Leak seconded the motion. The motion passed with Councilmember Parker casting the dissenting vote.

ORDINANCE TO AMEND THE 2007-2008 BUDGET APPROPRIATION ORDINANCE

The City Manager explained that staff has worked hard trying to install Datamatic electronic meters during the past year. The process has been very slow as there have been issues with the electrical fireflies (data transmitters) that have reduced the distance from which the meters can be read. The distance has not been what was in the original specifications or what originally worked in the test area. He stated that basically the meter readers have to get next to the meters before they can be read.

He further explained that that Consumer Billing was in the process of reducing staff when the meters were purchased. However, since the meters have not been installed, a great deal of overtime has necessitated within our meter reader salaries.

He stated that staff would like to request a budget amendment of \$30,000 to cover overtime costs of the meter readers. There have been approximately 300 meters installed. The funds will be equally split from the electrical fund balance and the water/sewer fund balance (\$15,000 from each fund).

A discussion ensued concerning what the company originally agreed to provide and what is actually being provided.

The City Manager stated that, because of the proposed installation of the electronic meters, a new meter reader position had not been budgeted. He added that, because of the problems with the new meters, there has been a considerable amount of overtime installing and trying to read the meters, and this is the reason for the budget amendment request.

The City Manager stated that Datamatic has been working since October to determine the reason for the problem and that Datamatic informed the City just recently that they feel that the City's wireless broadband is interfering with the

signal from the meters.

Councilmember Parker suggested that the City Attorney review the contract with Datamatic to determine what recourse the City might have.

The City Manager also explained that the automatic readers are still the way to proceed; however, at this time staff intends to start the process again by coming up with difference specifications and looking at other possible vendors. The City Manager reiterated that this amendment will cover the overtime that has been accumulated and will also allow the consumer billing department to hire temporary meter readers to help out until the situation with the meters is resolved.

Councilmember Parker moved for the adoption of Ordinance No. O-2008-02 which amends the 2007-2008 Budget Appropriation Ordinance by allotting funds from the Electric Fund Balance and the Water/Sewer Fund Balance in the amount of \$15,000.00 each to Consumer Billing & Receiving-Salaries. Councilmember Rainer seconded the motion, and it was approved by the following vote:

Ayes: Parker, Rainer, Faulk, Leak, DeBerry

Nays: None

(Ordinance No. O-2008-02 on file in Clerk's Office)

CONDITIONAL USE PERMIT REQUEST TO OPERATE AMERICAN LEGION POST 181 LOCATED AT 421 MCKENZIE STREET

The City Manager explained that a public hearing needs to be set for Tuesday, March 18, 2008 at 7:00 p.m. to consider a conditional use permit to allow American Legion Post 181 to operate at 421 McKenzie Street.

The City of Laurinburg Planning Board met on February 12, 2008 and voted unanimously to recommend to the City Council for approval of the proposed permit to the City Council.

Motion was made by Councilmember DeBerry, seconded by Councilmember Leak, and unanimously carried to set a public hearing on Tuesday, March 18, 2008 beginning at 7:00 p.m. in the upstairs council room of the Municipal Building on the proposed conditional use permit to allow American Legion Post 181 to operate at 421 McKenzie Street.

CONDITIONAL USE PERMIT REQUEST TO ALLOW A CHILDREN'S DAY CARE FACILITY LOCATED AT 12760 HOLLY LANE

The City Manager explained that a public hearing will need to be set for Tuesday, March 18, 2008 at 7:00 p.m. to consider a conditional use permit to allow a Children's Day Care Facility to be located at 12760 Holly Lane.

The City of Laurinburg Planning Board met on February 12, 2008 and voted unanimously to recommend to the City Council for approval of the proposed permit to the City Council.

Motion was made by Councilmember Parker, seconded by Councilmember Faulk, and unanimously carried to set a public hearing on Tuesday, March 18, 2008 beginning at 7:00 p.m. in the upstairs council room of the Municipal Building on the proposed conditional use permit to allow the operation of a children's day care facility at 12760 Holly Lane.

UNIFIED DEVELOPMENT AMENDMENT (UDO)-ARTICLE XVII-SIGNS, SECTION 270 (10), SECTION 276, AND SECTION 280 (D)

The City Manager explained that a public hearing will need to be set for Tuesday, March 18, 2008 at 7:00 p.m. to consider an amendment to the City's UDO to increase the height restrictions on detached ground signs in certain areas.

The City of Laurinburg Planning Board met on February 12, 2008 and voted 4-2 to recommend to the City Council for approval of the proposed amendment change.

Motion was made by Councilmember DeBerry, seconded by Councilmember Rainer, and unanimously carried to set a public hearing on Tuesday, March 18, 2008 beginning at 7:00 p.m. in the upstairs council room of the Municipal Building on the proposed amendment to the UDO regarding Article XVII-Signs, Section 270 (10), Section 276, and Section 280 (D).

RESOLUTION DECLARING THE WITHDRAWAL OF A TWELVE (12) FOOT WIDE ALLEY SITUATED IN THE CITY OF LAURINBURG

The City Manager explained that while doing title work on the old hospital site, Mr. J. Robert Gordon, City Attorney, had discovered a 12 ft. wide alley on a 1941 subdivision map recorded in the Office of the Register of Deeds. With respect to the City's Economic Development Administration (EDA) grant, title insurance is required, and legal counsel for First American Title Insurance Company is requiring that the old alley be officially closed by the City Council before title insurance can be issued.

Approval of the proposed Resolution to close the alley will meet the requirements of First American for the issuance of the title insurance policy.

Councilmember Parker moved for the adoption of Resolution No. R-2008-02 declaring the withdrawal of a twelve (12) foot wide alley situated at the old hospital site in the City of Laurinburg. Councilmember Rainer seconded the motion, and it was approved by the following vote:

Ayes: Parker, Rainer, DeBerry, Leak, Faulk

Nays: None

(Resolution No. R-2008-02 on file in Clerk's Office)

RESOLUTION DECLARING CERTAIN ITEMS AS SURPLUS PROPERTY AND ALLOW THE CITY MANAGER CONSIDER A PRIVATE SALE AT A NEGOTIATED PRICE

The City Manager explained that approval of the proposed resolution will allow the City Manager to enter into a private agreement with the City of Lincoln for the sale of 12 step regulators. These regulators are too small for our switching station with no other use for the City. The regulators that we are proposed to be sold are not refurbished, and are proposed to be sold as is for \$2,000.00 each (\$24,000 total). Refurbished regulators are selling for approximately \$3,000.00 each.

Councilmember Parker moved for the adoption of Resolution No. R-2008-03 declaring certain items as surplus property and allowing the City Manager to consider a private sale at a negotiated price. Councilmember Faulk seconded the motion, and it was approved by the following vote:

Ayes: Parker, Faulk, Leak, DeBerry, Rainer

Nays: None

(Resolution No. R-2008-03 on file in Clerk's Office)

RESOLUTION DECLARING CERTAIN ITEMS AS SURPLYSS PROPERTY AND ALLOW THE CITY MANAGER CONSIDER A PRIVATE SALE AT A NEGOTIATED PRICE

The City Manager explained that approval of the proposed resolution will allow the City Manager to enter into a private agreement with Arrington's Police for \$18,970.00 in credit towards future equipment (weapons/body armor/etc) purchases. He stated that currently there are over 110 weapons that have been in the City's weapons storage area for the past 30-40 years.

Upon question by Councilmember Parker, Chief John Evans stated that there are two guns that are collector's items and that is the reason for the amount of credit that Arrington Police Distributors is willing to offer to the police department. He further stated that there is not much value in any of the other weapons that are being proposed as surplus property.

Councilmember Parker moved for the adoption of Resolution No. R-2008-04 declaring certain items as surplus property and allowing the City Manager to consider a private sale thereof at a negotiated price. Councilmember DeBerry seconded the motion, and it was approved by the following vote:

Ayes: Parker, DeBerry, Leak, Faulk, Rainer

Nays: None

(Resolution No. R-2008-04 on file in Clerk's Office)

AWARD OF CONTRACT-SEWER LINE RELOCATION AT THE LAURINBURG/ MAXTON AIRPORT

The City Manager explained that as part of the shell building construction, a sewer line needed to be relocated at the Laurinburg/Maxton Airport site. The City received a grant from the NC Department of Commerce in the amount of \$109,000.00 for the relocation/construction.

He stated that there were fourteen (14) bids submitted on the project with a range from \$56,577.00 to \$135,069.00. He then stated it is the recommendation of our engineers, Hobbs Upchurch and Associates that the contract be awarded to the low bidder, AJ's Construction in the amount of \$56,577.00

Upon question by Councilmember Leak, the City Manager explained that the remaining grant funds could possibility be used for further improvements to the shell building site.

Motion was made by Councilmember Parker, seconded by Councilmember DeBerry, and unanimously carried to award to the low bidder AJ's Construction in the amount of \$56,577.00 the bid for sewer line relocation/construction at the shell building site at the Laurinburg/Maxton Airport.

CITY OF LAURINBURG TO SERVE AS A FIDUCIARY AGENT FOR A US DEPARTMENT OF AGRICULTURE GRANT (USDA)

The City Manager explained that Scotland Development Corporation (SDC) recently received a grant from the US Department of Agriculture in the amount of \$50,000.00 to help fund a community director position. He then explained that as part of the grant, the fiduciary agent must be a public entity with an annual audit. SDC does not meet these criteria. Currently SDC has only \$100.00 in its fund.

He stated that a motion was approved by the SDC Board which requested that the City of Laurinburg serve as the fiduciary agent for the grant. The City would then in turn work with the Laurinburg/Scotland County Area Chamber of Commerce (Chamber) on a work plan for the position and distribute funds to the Chamber once the thresholds of the work plan were completed. No City funds would be used as part of this project.

He concluded by stating that the Chamber is currently working on the work plan and the approval would be based on the approved work plan.

Upon question by Councilmember Faulk, the City Manager stated that as long as the chamber follows the grant guidelines, they would not need approval from the City's governing board.

Motion was made by Councilmember Parker, seconded by Councilmember Faulk, and unanimously carried to allow the City of Laurinburg to serve as a fiduciary agent for a USDA grant in the amount of \$50,000.00 to SDC.

UPDATE ON BUXTON

The City Manager stated that letters had been sent to the five retailers that Council had approved. He explained that Buxton had previously advised him to wait a period of 30 days before trying to follow up with the mailings. He then stated that he had recently received an email from Buxton advising him to go ahead and make follow-up contact with the businesses. He explained that he had contacted Kohl's, Cinemark Theatres, and Texas Roadhouse. He stated that they have each received the packages but that they have not had time to review them. He has been advised by each to make additional contact in a week or so. He also explained that he had had problems with the contact numbers for Applebee's and Chick-Fil-A and that he is in the process of getting more information on their contacts.

He then stated that the City has five more matches that need to be identified so that packages can be sent to them.

The City Manager also stated that some of the retail development at the Wal-Mart site has been identified as Nails, Game Stop, Sally's Beauty Supply, and Shoe Show.

Mayor Block stated that the identification of the next five businesses would be discussed at the annual planning retreat.

ANNUAL PLANNING RETREAT

The City Manager explained that he has prepared a tentative agenda for the upcoming retreat that is scheduled to begin Friday, March 14, 2008 at 3:00 p.m. He stated that he would like to finalize the agenda by February 29 in order to begin formulating the agenda packet and supporting documentation.

He then stated that Mr. Robert Ellis, City of Laurinburg Water/Wastewater Treatment Plants Director, had requested that one of the topics discussed at the retreat be water conservation. He explained that, with the continuing drought, during the spring when water usage is usually at a higher level, the City may want to consider implementing appropriate measures under the Conversion Ordinance.

Councilmember Faulk asked that the Mayor/Councilmembers/Manager expectations be reviewed at the retreat.

Councilmember Leak asked that the corridor along US Highway 401/501 By-pass at the Northside Square Shopping Center be discussed.

Councilmember Parker stated that he would like to add solid waste to the retreat issues with discussion on leaves and debris collection as well as garbage collection.

Councilmember Leak asked for an update on the Fire Department needs in regards to equipment and manpower.

Councilmember Leak also requested that staff present manpower needs for the upcoming 2007-2008 budget. He also stated that staff should be conscious of the tax base.

PUBLIC COMMENT

Councilmember DeBerry thanked the Scotland County Commissioners as well as Shannon Newton, Parks and Recreation Director and her staff for the upgrades at Lincoln Park. He stated that there is new playground equipment and that the park looks wonderful. He also thanked the City's Beautification Department for planting trees along the street right-of-way at the park.

Councilmember Leak asked the City Manager to ask Ms. Newton about additional parking at the park.

There was no one to speak during the public comment period.

ADJOURNMENT

Motion was made by Councilmember DeBerry, seconded by Councilmember Parker, and unanimously carried to

adjourn the meeting.

The meeting was adjourned at 8:20 p.m.

Matthew Block, Mayor

Dolores A. Hammond, City Clerk