

**CITY OF LAURINBURG  
COUNCIL MEETING  
JUNE 10, 2008  
MUNICIPAL BUILDING  
303 WEST CHURCH ST.  
LAURINBURG, NC  
6:30 P.M.**

**Minutes**

The City Council of the City of Laurinburg held a budget workshop June 3, 2008 at 6:30 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, and Thomas W. Parker, III. Councilmember Herbert M. Rainer, Jr. arrived at 6:45 p.m.

Also present were Craig F. Honeycutt, City Manager and Dolores A. Hammond, City Clerk.

Management Team members were also present.

Mayor Block called the meeting to order at 6:30 p.m. Councilmember Faulk gave the invocation.

**PROPOSED AGENDA-JUNE 17, 2008**

The City Manager reviewed the proposed agenda for the regularly scheduled City Council meeting of June 17, 2008.

There were additions and deletions to the preliminary agenda for the June 17, 2008 regular council meeting.

**DISCUSSION OF YOUTH PROGRAM AT LAURINBURG HOUSING AUTHORITY**

Mayor Block asked that, before budget discussions, the City Manager discuss the youth program at the Laurinburg Housing Authority that has been discontinued.

The City Manager stated that Representative Garland Pierce had been approached by Laurinburg residents regarding the youth program at the Laurinburg Housing Authority (Housing Authority). He explained that the Housing Authority had a summer program for at risk youth that was federally funded and that funding had been cut. He then explained that Representative Pierce is seeking emergency funding for this program from local funds. The cost of the program is \$20,000.00.

A discussion ensued concerning the youth program and the Housing Authority and why the program was not funded.

The City Manager was instructed to telephone Nancy Walker, Executive Director, Laurinburg Housing Authority, and ask her to send Council a letter with information about the program and why the program was not funded. He was also instructed to send a copy of the reply to Councilmembers and to the Scotland County Commissioners.

**PROPOSED BUDGET FOR FISCAL YEAR 2008-2009**

The City Manager stated that there have been no changes in the budget since the last meeting. He stated that there was discussion among Council about whether to fund merit pay increases.

Councilmember Leak expressed his opinion about the previous issue of back availability payments (water/sewer/solid waste) and felt that the City needs to collect those funds. He stated that he has a concern with funding merit pay when the City has outstanding monies owed to it for City services.

Councilmember Leak stated he is favor of the 2.3 percent cost-of-living increase for employees but does not feel that merit pay raises should be given because of the financial situation of the City.

A discussion ensued about the City's financial audit, the amount of money owed to the City in back availability payments and other revenues that have not been collected (citizens that move and do not pay their bill), and the changes in what the requirements are as set by the Governmental Accounting Standards Board (GASB).

The City Manager stated that deposits for City services are very low and that there has been discussion among staff to recommend to Council to increase the fee for deposits.

Following further discussion on deposits, there was *a consensus among Councilmembers that staff review current deposits, penalty fees, and any other fees (cut-ins; cut-offs) for City services and bring a proposed new fee schedule to Council for consideration at the meeting on June 17, 2008.*

There was also *a consensus that the City Manager check with other power companies to see if there is a way to work together to share information such as if a City resident that owes money is requesting service from another power agency.*

There was a discussion concerning the online payment program to be implemented on the City's webpage. There was *a consensus that staff review the online program and put it in place as soon as possible.*

The City Manager stated that during staff discussions regarding the late penalty fee it was discussed that part of that fee could be set aside for the WARM (Winter Assistance for Residential eMergency) Fund program.

There was *a consensus that the WARM program should be a separate donation and not tied to any fee structure that the City has.*

Councilmember Parker stated that he perceives the proposed Connect City program as a luxury and would not like to include it in the proposed budget.

The City Manager stated that he feels that this proposed program would be a good communication tool for the City to supply information to citizens in case of power outages, street detours, public safety issues, etc.

Councilmember Parker discussed the solid waste bid proposals and stated that it was not feasible to consider a July 1, 2008 date for any implementation by a private contractor.

Following a lengthy discussion about solid waste collection and the recycling program, there was *a consensus that staff prepare bid specifications for a new automated garbage truck, implement the co-mingling of recyclables in the recycling program, close the current recycling center, and use Wagram Paper Stock in Wagram, NC to transport the City's recycling materials.*

Councilmember Parker also suggested that a Solid Waste Advisory Committee be formed to begin a study of the solid waste program with emphasis on the yard waste collection. It was suggested that Harold Haywood be included as an ex-officio member of the committee. Council is to make appointments at its June meeting. There was *a consensus that Mayor Block serve on the solid waste committee with Councilmember Parker as an alternate.*

There was direction from Council that Mr. Haywood send letters to the bidders of the Solid Waste Request for Proposals and let them know that the City will conduct a study of its solid waste program and then let them know by January 1, 2009 of the City's decision as to whether to privatize the program or keep it in house.

A further discussion took place on the Electric Transfer Policy and there was *a consensus that the Electric Transfer Policy be changed from a 3 percent to a 5 percent transfer.*

Following further discussion on the proposed 2008-2009 budget, there was *a consensus among Councilmembers for the*

following items:

- *Eliminate the \$21,000.00 for the Connect City program;*
- *Include three police cars by ordering two upon adoption of the budget and the other one in January, 2009 if budget is holding; the thought pattern is that if fuel prices keep increasing that monies may need to be allocated to fuel instead of purchasing the third police vehicle*

The City Manager then stated that the issues remaining for Council discussion are the cost-of-living and merit increases for employees.

The City Manager explained that upon receipt of the letter from the LGC about the general fund balance issue, a hiring freeze was put in place. The only position that has been filled is a public safety officer that was needed to maintain our police department at full capacity.

Councilmember Parker suggested because of budget restraints that a hiring freeze be implemented until January 1, 2009 unless specifically approved by Council. *There was a consensus that a hiring freeze be implemented and that if staff has any position it feels needs to be filled it should be brought before Council for approval.*

A discussion ensued on benefits that the City provides to its employees such as health insurance, longevity, and health insurance for retired employees.

Councilmember Faulk stated that because of general fund balance issues and the report by the LCG, it is her recommendation to suspend the merit pay increases for the year. She suggests putting monies into the general fund balance to help sustain the general fund balance so that next year during budget preparation the budget will not be in an even worse state.

*There was a consensus among Councilmembers to implement the 2.3 percent cost-of-living increase to employees but to suspend merit pay increases and put the monies in the general fund balance in order to begin building up that fund balance.*

The City Manager then stated that at this time there is no recommendation for electric rate increases in the proposed budget even though increases by the North Carolina Eastern Municipal Power (NCEMPA) will be implemented January 1, 2009. He stated that NCEMPA is considering a 16.1% increase with 13% being attributed to a fossil fuel charge. He explained that a rate increase could be brought before Council as soon as December 2008. He also explained that a 5% increase could be absorbed by the City for this budget year but that any increase by NCEMPA beyond the 5% would need to be reviewed and would be brought before Council for action.

He stated that in his budget message to Council and citizens that he would include a statement that there is discussion regarding an electric rate increase which would not take place until January 1, 2009 and that Council would need to address that issue before the January 1, 2009 deadline.

A discussion ensued concerning the feasibility study for the City's fiber system. The City Manager stated that such a study would look at how the City can grow it into a long-term viable revenue source. He explained that the company has prepared such a study for the City of Wilson. Wilson is putting fiber into the home with multiple media heads that can provide internet, cable and telephone.

*The consensus is to leave the monies for the feasibility study in the proposed budget but to consider other options before a final decision is made by Council to proceed with the study.*

Mayor Block asked that a representative from the company (Uptown Services) come before Council to give a presentation about the services it provides.

Upon further discussion about the proposed budget, the City Manager stated that the commitment to the Scotland County Economic Development Corporation should be for a total of \$32,500.00 (instead of the \$25,000.00 presented).

Upon question by Councilmember Parker, the City Manager stated that \$12,000.00 has been budgeted to the Laurinburg/Scotland County Chamber of Commerce. He informed Council that the Chamber's request was \$17,000.00.

### **CLOSED SESSION**

At 8:50 p.m. motion was made by Councilmember DeBerry to go into closed session, pursuant to North Carolina General Statute 143-318.11(a)(6), to discuss the performance of the City Manager. Councilmember Leak seconded the motion and it unanimously carried.

At 8:55 p.m., motion was made by Councilmember DeBerry, seconded by Councilmember Faulk, and unanimously carried to resume the open meeting.

### **SETTING THE CITY MANAGER'S SALARY**

Motion was made by Councilmember Parker, seconded by Councilmember Faulk, and unanimously carried to direct the Finance Director to increase the City Manager's current salary to reflect a 2.3% cost-of-living increase which is equal to the increase provided to other City employees.

### **ADJOURNMENT**

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

The meeting was adjourned at 8:57 p.m.

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Matthew Block, Mayor

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Dolores A. Hammond, City Clerk