

**CITY OF LAURINBURG  
COUNCIL MEETING  
JUNE 3, 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 Herbert M. Rainer, Jr. Councilmember Thomas W. Parker, III arrived at 6:40 p.m.

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

In attendance also were the following Management Team members: Cindy Carpenter, Finance Director; Johnny Evans, Chief of Police; Bob Bell, Human Resources/Risk Management Director; Robert Ellis, Treatment Plants Director; Stacey McQuage, Utilities Director; Harold Haywood, General Services Director; and Ronald Pierce, Electric Distribution Director. Bill Riemer, Director of Administration and Development arrived at 7:40 p.m.

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

Mayor Block explained that for several months the City has been looking at the possibility of changing solid waste services including consideration of privatization of the service. He stated that representatives from the three (3) companies that submitted bids on the Request for Proposals would present and discuss their bids.

**CONSOLIDATED WASTE SERVICES**

Mr. Scott Welch, owner and President of Consolidated Waste Services, appeared before Council and provided a brief history of the company and the company's service area.

Mr. Welch explained that his company's bid was low bidder on the residential side of collection services as well as the recycling side of collection.

He stated that references had been supplied in his bid packet, which was previously submitted.

He explained that this business was opened in the area in 2006 with the support John Crumpton, the previous County Manager. He informed Council that at this time his company has approximately 53 customers all of which are commercial customers.

Mr. Welch explained that his company did not bid on yard waste pick up but had stated in its proposal that that collection of yard waste could be negotiated.

He explained that in his company's bid packet included a document from Leaf Corporation with regard to new equipment that they would buy. He stated his company does not buy used equipment. He concluded by stating that he has talked with the equipment company, and they are waiting on the word to get started to provide the new equipment so that the collection service can begin for the City of Laurinburg.

Upon question by Mayor Block, Mr. Welch stated that his company provides service to three (3) governmental entities and they are as follows: the Town of Montreat, NC; Haywood County, NC; and also Haywood Vocational, which is like a municipality in Haywood County.

Following a question and answer period by Council with Mr. Welch about his Company's procedures for solid waste collection, the purchasing of the City's equipment, the employment of City employees, and his company's costs, the City Manager asked, that with rising costs in fuel, would an adjustment have to be made in fuel expenses from the bid already submitted.

Mr. Welch stated that at the time of the bid submittal that fuel was not over \$4.25 per gallon and that, yes, the figures would need to be adjusted accordingly.

The City Manager also stated that the tonnage cost would also have to be adjusted based on the tipping fees imposed by Scotland County.

Following further discussion, Mr. Welch stated that if his company were awarded the bid for solid waste disposal, it would take about 60 days to implement.

## **WASTE INDUSTRIES**

Mr. Mike Collins, General Manager, Waste Industries, appeared before Council to explain his bid submittal for Solid Waste Collection for the City of Laurinburg.

Mr. Collins stated that his company is based Raleigh, NC. He explained that his office is in Hope Mills, NC. He then explained that part of his proposal is to establish a base of operations in Laurinburg. He then stated that his company was the only company that provided prices for all of the services that the City requested.

Upon question by Mayor Block, Mr. Collins stated that his company contracts with well over 100 municipalities.

Following a brief question and answer period about Waste Industries' services, Mr. Collins stated that his company's commercial rates are higher because cities and counties do not use the same accounting procedures that private companies do. Private companies are in the business to make a reasonable return on their investment.

Mr. Collins informed Council that Waste Industries owns a landfill in Sampson County but that the City's specification was to bid using the Scotland County Landfill.

Mayor Block questioned the cost for yard waste pick up.

Mr. Collins stated that most municipalities that his company serves have stricter guidelines with yard waste collection in that the City of Laurinburg does not require yard waste to be containerized.

Mr. Collins then outlined how containerized pick up works with Waste Industries.

A discussion then ensued concerning the City's equipment, employees that would be displaced due to privatizing the solid waste collection services and the handling of the recycling portion of solid waste collection.

Mr. Collins then explained that, with the way fuel has been increasing over the past 18-24 months, there is nothing his company can do about it and that customers will have to bear the cost of continually increasing fuel charges as well as increasing landfill tipping fees.

Upon question by Mayor Block, Mr. Collins stated that they do not serve Cumberland County at this time. His company submitted a bid to the City of Fayetteville but was not the low bidder.

## **WASTE MANAGEMENT**

Mr. Ken Crutchfield, Governmental Business Consultant for Waste Management, and Mr. Greg Peverall, who is a long-time member of the solid waste industry, appeared before Council to discuss the bid proposal that Waste Management submitted to the City. Mr. Crutchfield congratulated Mr. Harold Haywood for putting together a very

good set of specifications for the Solid Waste Request for Proposal.

He explained that his company chose to leave out bulky waste and yard debris. He stated that, according to NCGS 143-129, the statute allows a municipality to negotiate after the time of the bid. He then explained that, with the unusual manner in which the City provides services in those particular areas, it would be incumbent upon Waste Management to sit down and see if there are any technological equipment advantages to the manner in which Waste Management Company could provide those services to reduce the costs that the City has and to reduce the costs that the company might have. He stated that the Company believes that it can save about \$175,000.00 over a 5-year period based upon the City's current \$23/month in billing.

Mr. Crutchfield gave a brief history of Waste Management and the operations of the company.

Following a question and answer period about the services that Waste Management could provide to the residents of the City of Laurinburg, Mr. Crutchfield stated that, because of the increase in fuel costs, fuel adjustments would have to be made accordingly.

Upon question by Mayor Block, Mr. Crutchfield stated that, based on the City's current rate of \$23.00 per month for solid waste pick up, his company could save the City \$175,000.00 over the next five years with the same level of service as the City now provides. Mr. Crutchfield explained that yard waste is an area to review because of the different avenues that could be taken for collection.

Following further discussion, Mayor Block thanked all presenters and stated that Council has a lot to think about in the Solid Waste Program for the City of Laurinburg.

*The meeting recessed at 7:45 p.m. and resumed at 7:55 p.m.*

## **DISCUSSION ON THE PROPOSED 2008-2009 FISCAL YEAR BUDGET**

Mayor Block asked that, since this is his and Councilmember Faulk's first budget year, the City Manager lay out what needs to be accomplished tonight and the timetable for approving the budget for the upcoming year. The City Manager stated that the public hearing for citizen input on the proposed 2008-2009 budget is set for Tuesday, June 17, 2008. It does not have to be approved and adopted until June 30, 2008.

He then proceeded to discuss the proposed budget. He explained that at the last meeting of Council there was a lot of discussion about the tax rate. He stated that it was the consensus among Council to look at a two-cent tax increase, to change the Electric Fund Transfer Policy, and to change the calculation of the management fees. He then stated that staff has proposed a two-cent tax increase, from \$.40 to \$.42, and has recalculated the management fees.

A lengthy discussion ensued concerning the annual audit for the City and the write-off of one-half million dollars in the water-sewer fund.

Ms. Carpenter explained that even though the auditor has required that, because of accounting procedures, the accounts reflect that they have been written-off, collection measures are still being following.

Councilmember Leak questioned the proposed expenditure for a study to be performed by Uptown Services.

The City Manager explained that the study would give the City a better understanding of how the City's fiber network can better be utilized.

Further discussions ensued concerning other proposed expenditures in the proposed 2008-2009 budget such as Connect City, funding of the Laurinburg/Scotland County Area Chamber of Commerce and Scotland County Economic Development Corporation, and proposed changes in solid waste collection.

Councilmember Parker stated that the City should concentrate on increasing its fund balance and work on sustainability of the budget.

In further general discussion of the proposed 2008-2009 budget, Council addressed merit pay for employees. Mayor Block stated that he is uncomfortable raising the tax rate in order to give raises to employees over and beyond the cost-of-living increase.

Following further discussion regarding merit pay, increase in tax rate, the sustainability of the budget, current capital needs and future capital needs, Councilmember Parker asked, due to travel plans, to be excused from the meeting at 9:02 p.m.

Motion was made by Councilmember Faulk, seconded by Councilmember DeBerry, and unanimously approved to excuse Councilmember Parker from the meeting.

Councilmember DeBerry referred back to the cost-of-living increases to employees as well as merit pay raises and asked other Councilmembers how they felt.

Councilmember Faulk stated that the City needs to tighten its belt. She explained that, if Council does not fund merit pay increases, the decision will not be received favorably by employees, but to make the fund balance sustainable, she agrees with the suggestion not to fund merit raises. She then stated that the money would be better used at this time if put in fund balance.

Following a brief discussion about condemnation, merit pay increases, and the process of determining employee merit pay, Council moved to adjourn to closed session.

### **CLOSED SESSION**

At 9:20 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 9:29 p.m., motion was made by Councilmember DeBerry, seconded by Councilmember Faulk, and unanimously carried to resume the open meeting.

### **ADJOURNMENT**

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

The meeting was adjourned at 9:30 p.m.

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Matthew Block, Mayor

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Dolores A. Hammond, City Clerk