

**CITY OF LAURINBURG
COUNCIL MEETING
MARCH 14, 2008
MUNICIPAL BUILDING
303 WEST CHURCH ST.
LAURINBURG, NC
3:00 P.M.**

Minutes

The City Council of the City of Laurinburg held its annual planning retreat 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, and Thomas W. Parker, III. Councilmember Rainer was absent.

Also present were Craig F. Honeycutt, City Manager; Dolores A. Hammond, City Clerk; Bill Riemer, Director of Administration and Development; 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; Ronald Pierce, Electric Distribution Director; David Lavinier, Fire Department Lieutenant; and Diane Chavis, Consumer Service Manager.

Mayor Block called the meeting to order at 3:15 p.m.

He welcomed everyone and stated that because this is his first retreat as Mayor he is looking forward to participating in the process of working out the budget and goals for the upcoming year.

He also expressed the he believes he was elected Mayor because Laurinburg citizens wanted change. He reminded everyone that this is a time of economic difficulty and that Scotland County has the highest unemployment rate in the state. He also stated that Scotland County has the highest county taxes. He then stated that he also feels that citizens are looking to the City to help lead the way forward. He explained that he ran for Mayor because he believes that the City can play a big role in helping the City grow.

Mayor Block then requested that as the retreat progresses that everyone keep in mind an attitude of leadership and growth as well as change when necessary. He then explained that as Mayor he would not support the loss or cutting back of any City employee jobs.

Mayor Block then turned the meeting over to the City Manager.

The City Manager discussed the citizen input session held January 17, 2008. He then provided Council an update on last year's strategic plan and the accomplishments of the City in the past year.

A discussion ensued on Base Realignment and Closure (BRAC). The City Manager stated that an informational meeting will be held on Thursday, March 27, 2008 at 7:00 p.m. The meeting will be held at Scotland Place at 1210 Turnpike Rd. and the speaker will be General Paul Dordal. Upon question by Mayor Block, the City Manager explained that BRAC projections are that approximately 300 people may relocate into Scotland County. He stated that he feels that, working through the military center, local contractors could be more involved in BRAC contracts. He also stated that the long term effect for Scotland County could be that lots of military companies may be moving to the area because of the close proximity of Ft. Bragg and the Laurinburg/Maxton Airport.

Councilmember Leak expressed that he feels that the Scotland County School system and the infrastructure of our community are a great asset for the relocation of people associated with BRAC.

Mayor Block stated that he feels that the county tax rate is a huge issue for growth in Scotland County.

A discussion ensued concerning the county tax rate and how the city has no control over it.

A discussion then ensued regarding the following issues: the Scotland County Economic Board and the position of an Economic Development Recruiter; Buxton, Inc.; special tax district in the downtown area; parking in the downtown area; dilapidated buildings in the downtown area as well as the community; and the lighting in designated parking lots.

Councilmember Faulk stated that a parking study had been conducted a few years ago and that ample parking was provided in the downtown area. She then stated that she is seeing a lot of growth in the downtown area.

The City Manager explained that the mast arm installation should be completed by August 2008.

Councilmember Leak stated that he would like to be sure that once the Richmond Community College (RCC) campus is built at the old hospital site that the City has an opportunity to choose one of the existing RCC facilities located in the downtown area to use for municipal purposes.

A brief discussion ensued concerning the proposed RCC campus and the work that went into making this project a reality.

Councilmember Leak then discussed recreation inside the City limits. He stated that in the Washington Park area there is a need for basketball goals.

A discussion ensued and Councilmember DeBerry stated that Scotland County Parks and Recreation had made improvements at Jaycee Park and that it might benefit the City to contact the County to talk about those and other possible improvements.

The meeting recessed at 4:31 p.m. and reconvened at 4:45 p.m.

The City Manager stated that it is once again a privilege to present Council information and updates for the City's Five Year Plan. He also thanked the Management Team for their input on the plan and especially Cindy Carpenter, Finance Director, for her role in compiling all the information.

He then explained that in reviewing City trends that the two most important trends in his opinion are as follows:

- Continual shrinkage of the fund balance; and
- The lack of tax valuation growth and sales tax growth

He further explained that in last year's budget, the capital expenditures were basically cut to nil. He stated that the City needs to begin addressing its capital expenditures again in the general fund to ensure that the City's needs do not get too far behind. He also addressed facility needs because currently there is not enough space for expansion in some of the departments (e.g. consumer billing and the police department).

He then discussed the City's shortfalls and the projection of a 1.1% increase in the City's ad-valorem tax revenue and only a 1% increase in sales tax. He explained that the increases are nominal and conservative projections. He then stated that to keep up with costs and strategizing to increase the City's fund balance a \$0.05 tax increase is necessary for the 2008-2009 fiscal year (\$0.01=\$63,400.00). He further stated that the City's growth is flat but that costs are continually increasing.

The City Manager then stated that it is suggested that the City move forward with its second year of planned water and sewer increases by 6.5% (2nd of a three-year increase). He informed Council that, with respect to the electrical rate, a preliminary increase of 5.0% is projected by ElectricCities as of January 1. He explained that, if the increase is approved by ElectricCities, the recommendation from staff is that the City adjust its rates proportionally in accord with the projected increase.

He then explained that the fiber project has been approved and installation is beginning to occur. He further explained that this investment should be paid off in 5½ years. The City is also looking at alternatives with the fiber to find ways to better market and utilize this asset.

He stated that the submission of the Five Year Plan is a planning tool for upcoming budget presentations. He further stated that the City must be able to look at historical data from audits and try to forecast where the City is financially and where it is going. He explained that it is important to use this tool to set priorities for projects and programs that Council would like to see pursued and in what time frame the projects can be completed.

Councilmember Parker commented on ElectriCities and the continual increases in electric rates it passes on to the members of ElectriCities. A discussion then ensued about ElectriCities.

The City Manager stated that a representative from ElectriCities would attend the retreat tomorrow (March 15, 2008) to provide Council with information about ElectriCities.

Council then discussed the City's past tax rate, the current tax, and the projected rate for the upcoming budget year.

Councilmember Leak stated that during last year's budget meeting it was discussed that the City's tax rate would need to increase in fiscal year 2008-2009 so that the City can keep up with increasing costs. He stated that the budget needs to be looked at and closely considered so that it is set at a rate that citizens can live with.

A discussion ensued concerning curb and guttering. Mayor Block and Councilmember Parker expressed their opinion that if the City did away with the curb and gutter requirement for housing developments that there would be more development inside the City limits.

Bill Riemer, Development and Administration Director, stated that the City provides water and sewer construction to the developer, which costs more than curb and guttering. He further stated that the City is the only municipality in the State that helps developers by providing water and sewer construction; therefore, the requirement of the developer to put in curb and gutter.

Councilmember Leak suggested that the City give the developer an option to either pay for water and sewer or curb and gutter.

After further discussion, the City Manager provided information page by page regarding the Financial Trend Analysis for the City of Laurinburg.

He stated that Scotland County is now listed as a 21st Century Community with the State and that means that there will be some help from the Department of Community Assistance. He also stated that being a Tier One county will also help with grants from the Rural Center.

FIVE YEAR FORECAST

The City Manager reviewed the projected revenues for all funds and stated that there is nominal slow growth.

Following discussion about the projected revenues, Councilmember Parker asked that the City Manager ask the County what percentage the City will get on sales tax in the upcoming 2008-2009 fiscal year.

The City Manager stated that the local revenues in the electric fund are based on the current rate, but ElectriCities is looking at a 5% increase to its members and will have a recommendation to the ElectriCities Board in June. The City may have to raise its electric rates at some point to cover the increase from ElectriCities.

A discussion ensued about the differences in the service between the City's electric department and other utility

companies.

Councilmember Leak asked that the City Manager further investigate an assistance program for citizens in helping with electric bills. The City Manager stated that he has looked at several options and will present to Council, at its April meeting, a proposal for a utility payment assistance program.

There was also discussion on increasing the City's late payment fee for utility payments.

Staff was instructed to promote the load management program more aggressively.

Mayor Block commented that the City could proportionately increase the electric rates on the higher users.

The City Manager stated that it is an economic incentive to look at electric rates and negotiate rates when a new company is considering locating in the City especially if the company is a high user of electricity.

The City Manager asked if Council had any objection to Ronald Pierce giving his presentation on the Electric Department's new programming and capital because of a prior commitment Mr. Pierce has with his family.

ELECTRIC DEPARTMENT

Electric Operations/Fiber Optics/One-Half Consumer Billing

Diane Chavis, Customer Service Manager, explained that Consumer Billing is still working on the automatic meter reading (AMR) devices and that the focus is on getting another company to look at providing the AMR's because of the difficulty with the present company.

Ronald Pierce, Electric Distribution Superintendent, stated that there are no capital projects or new programming in the IT department. He then informed Council that the department will need to buy equipment because of the fiber optic lines that the City is currently installing. He also stated each department will need replacement equipment for what it currently uses.

The meeting was recessed for dinner at 6:27 p.m. and resumed again at 7:00 p.m.

The City Manager continued his review of projected revenues and requested that Council, when considering the solid waste revenue, to also think about the expenditure portion. He informed Council that Scotland County is considering raising its tipping fees in fiscal year 2008-2009 which may increase the expenditure portion of the solid waste fund.

GENERAL FUND

Police Department

Laurinburg Police Chief Evans explained that in fiscal year 2008-2009 he is requesting a firing range classroom building and rifle range along with two officers for a Gang Task Force. He then explained that gangs and gang violence are growing concerns in the City of Laurinburg. He further explained that the current training building does not pass training standards and that the renovation of the current building would be much more costly than building a new one.

A discussion ensued concerning the classroom building and the rifle range as well as the officers.

Chief Evans informed Council that he was also meeting with Richmond Community College to discuss the idea of a Basic Law Enforcement Training course.

There was a consensus among Councilmembers that Chief Evans contact the Scotland County Sheriff to inquire if the

Sheriff's Department, since it uses the firing range, would be interested in sharing part of the costs of these of the classroom facility and the firing range. He was also asked to get prices for a block building to be built instead of the prefab building.

Following further discussion, Chief Evans was asked to consider one gang force task officer and to look at other funding possibilities for this officer.

Fire Department

David Laviner, Fire Department Lieutenant, stated that the Fire Department has a couple of projects that are needed. He explained that a fire engine needs to be replaced and that the hiring of fire inspectors needs to be considered.

He stated that the fire department will continue to apply for grants to acquire the fire engine. He then explained that the engine that needs to be replaced is currently out of service because there is something wrong with the electrical system. It has been in the shop at least two times this week.

Upon question from Councilmember Parker, Mr. Laviner stated that the ladder truck is not being used as frequently as it once was because all firefighters that need to be trained on the truck are currently up-to-date on training requirements.

A discussion ensued concerning the purchase of a fire truck and the need for fire inspectors. Mr. Laviner stated that, according to North Carolina General Statutes, there are four options for a fire inspector in the fire department, and those options are as follows:

1. Department maintain its own inspection department; or
2. Department have a joint inspection department; or
3. Contract with another agency; or
4. Turn the inspections over to Scotland County

Mr. Laviner informed Council that the above four options are very costly and that the least costly is that the Laurinburg Fire Department maintain its own inspection department. He stated that the fire department does 108 inspections and needs to conduct about 700 inspections on an annual basis, which number does not include re-inspections.

Upon question by Councilmember Leak, Mr. Laviner stated that Scotland County has a full time inspector that inspects the county only. He also stated that the Laurinburg Fire Department has two certified fire inspectors on staff but that they wear a number of hats.

A discussion ensued on the fees for inspections and re-inspections of facilities by the Fire Department.

Upon question by Councilmember Parker, the City Manager stated that there are alternatives in considering the hiring of a fire inspector and that, once direction is given by City Council, then those alternatives will presented during budget discussions.

The City Manager further stated that, if the proposed tax rate increase is five cents, that increase would still not fully fund the needs of the City of Laurinburg.

Upon question by Councilmember Faulk, Cindy Carpenter, Finance Director, stated that the projected costs for equipment needs for the fire department for fiscal year 2008-2009 is \$54,780.00. She explained that an additional \$75,000.00 is also included in the 2008-2009 fiscal year as payment on the ladder truck that was purchased and financed.

Mr. Laviner explained that the bay doors need to be replaced because they have fallen on occasion and that the doors have not been replaced since 1979.

The City Manager stated that an overall facilities plan should be considered for all departments.

Councilmember Leak stated that the City may need to look at borrowing money in order to address facility needs.

The City Manager stated that there has been discussion among staff that, when the RCC campus is built and the City has an opportunity to acquire one of RCC's current buildings, the police department may consider moving into it. He stated that there is probably more grant monies available for police departments to help with their needs. This would also give a better presence of the police in the downtown area.

Upon question by Councilmember Parker, the City Manager stated that, if all department needs are met as presented for fiscal year 2008-2009, the tax rate would be five cents and that is just for capital expenditures. It would not include funds to address some of the shortfalls that fund balance has been supplementing such as personnel, insurance, gas/fuel, liability, or other existing capital needs that have not been addressed.

The City Manager stated that, whatever Council decides needs to be currently funded, staff will try and find creative ways to fund these projects without a large increase in the tax rate.

Upon discussion by Council concerning loans to pay for proposed projects, the City Manager stated that a government agency may be able to get a 4.25% low interest loan.

A discussion then ensued on debt service on paying back any money borrowed by the City.

Human Resources

Bob Bell, Human Resources/Risk Management Director stated that there are not any current capital needs for this department. He explained that an equipped centrally furnished training room for all departments is being considered once the RCC building is decided upon. He also stated that in fiscal year 2011-2012 a classification and pay study should again be conducted.

RESCUE

The City Manager stated that these costs are shared with Scotland County on a 50/50 basis. He then stated that the proposed items in the five-year plan are for air bags and a 4x4 vehicle.

GOVERNING BOARD

Dolores Hammond, City Clerk, explained that proposed new programming consists of imaging software that will be shared by other departments. She then explained that the imaging software will allow minutes, documents, and all records that need to be kept for long periods of time to be scanned into an electronic format. This will also allow easier retrieval of minutes and records that are requested by citizens and staff. She stated that documents scanned by other departments will allow them to retrieve information for citizens in a more efficient manner. She then stated that the cost includes the software, a server, training, and scanners. She concluded by stating that, if a certain department has a scanner that interacts with the software, that department would not have to purchase an additional scanner. The only recurring cost would be the maintenance fee, which includes upgrades, which would also be shared by each department.

COMMUNITY DEVELOPMENT

Administration, Building Maintenance, Beautification, Planning/Zoning and Cemetery

Bill Riemer, Development and Administration Director, stated that the administration department has no requests at this time.

He explained that the proposed amount of \$250,000.00 (2010-2011 fiscal year) for a lift, included in Building

Maintenance, at the Barrett Building may be a little excessive. He then explained that the building is required to be ADA (Americans with Disabilities Act) compliant and that the present lift is working properly at this time. He shared with Council the need for more storage space at the Barrett Building.

He discussed the preliminary needs of improving entrance ways in the City and that discussion was also being held with the Scotland County Tourism Development Authority as well as the Chamber's imaging committee. He explained that the tree takedowns/replanting and tree improvements continue to be listed as ongoing needs.

Mr. Riemer explained that the Planning and Zoning Department will have its Unified Development Ordinance online in a few months. He also explained that a program to allow citizens to fill out zoning permits online is being looked into. The modification of the Land Use Plan needs to be updated. He also stated that there is a possibility of converting the side porch of the Barrett Building into a records facility.

He concluded by stating that the Cemetery Department has a need to expand Hillside Memorial Park on the north side. This was proposed in a budget a couple of years ago but was excluded due to budget restraints. The area on the south side of the cemetery was expanded and should last a couple of years before the north side area needs to be expanded.

PUBLIC WORKS

Streets and Highways/Storm Drainage

Stacey McQuage, Water/Sewer Street Superintendent, stated that it has been several years since the City has paved any dirt streets. He informed Council that approximately \$150,000.00 would be included in the proposed budget and that that figure would be to cover resurfacing of streets, sidewalk repairs, and any petition that may come before Council to pave a street.

Councilmember DeBerry stated that there are a lot of short streets in the City and wondered if those streets could be paved without curb and gutter.

A discussion ensued about curb and guttering, and there was no decision made at this time.

The City Manager then discussed alternatives and options for the General Fund.

ELECTRIC FUND WAS DISCUSSED EARLIER IN THE MEETING

WATER/SEWER FUND

Water Treatment

Robert Ellis, Water and Wastewater Treatment Plants Director, explained that the City needs to continue to add new wells to its source water supply. He stated that the reason behind the adding of new wells is that some of the City's wells are close to 40 years old or older and could fail at any time. He also stated that, with the continuing drought, a well could go down at any time.

He explained that he is proposing a Water Conservation Plumbing Fixtures program (matching grant possibility) to encourage residents to go to low flow plumbing fixtures and to encourage the construction of new homes with the low flowing fixtures.

He then explained that stand-by generation is being proposed for future needs. He stated that this stand-by generation needs to be in place in case of some sort of disaster so that the City can maintain the public's safety and drinking water. He informed Council that in the Master Plan for water treatment, a new elevated tank is proposed because the tank on McKay Street is deteriorating.

The water tank on 401 South would need to be repainted in 2010-2011. He concluded by stating that acquiring land

for the wells is included through-out the five-year plan.

Wastewater Treatment Plant

Mr. Ellis stated that for the last two-three years a generator has been proposed at the influent pump station that is large enough to run all the equipment at the station. This item has been excluded because of budget restraints. A smaller generator is presently being used, but it does not run all of the equipment. He then stated that this piece of equipment is needed so that all water treatment equipment can function at all times.

Mr. Ellis then gave an update on water conservation. He stated that static water levels are constantly being monitored. He then stated that some are lower than previously but none are at a level of major concern at this time. They will continue to be monitored. At this time, restrictions under the City's Water Conservation Policy do not need to be imposed at this time. However, he continued by stating that the City needs to continue to be proactive by asking citizens to continue to conserve their water usage.

Water Department

Stacey McQuage reported that water lines are being proposed to complete a loop on X-Way Rd./Wesleyan Dr. There are proposed water lines to be installed throughout the five-year plan.

The City Manager listed proposed alternatives and options to the water/sewer fund.

SOLID WASTE FUND

Harold Haywood, General Services Director, stated that there are not any proposed new capital improvements or new programs for the Solid Waste Fund.

He stated that there is an opportunity to reduce the existing capital needs by using the insurance money from the recycling truck that caught on fire New Year's Eve and by looking at different ways for the collection and transfer of recycling items. He explained that there may be a way to save the City from having to bale the recycling items which would eliminate the need for a new baling system as the existing one will need to be replaced in a couple of years. He stated that this would allow a position to be eliminated through attrition. He then explained that the insurance money from the recycling truck could be used to purchase another automatic garbage truck and that such a purchase would complete the automated garbage collection cycle. He concluded by stating that research is being done on several proposals for recycling and that a proposal would be presented to Council at a later date.

A discussion ensued regarding the recycling program and the idea of changing the program once Mr. Haywood researches other alternatives and brings them back to Council.

OTHER

The City Manager stated that in October's retreat Council wanted to discuss expectations of the Management Team. He stated that the proposed expectations of the Management Team suggested from Council are as follows:

1. Work well as a team
2. Provide effective information to the manager and the board
3. Keep Manager informed
4. Keep manager and board informed so there won't be any surprises
5. Unbiased reports so that informed decisions can be made

He also stated that proposed expectations of the Management Team to Council are as follows:

1. Consider the implication of lack of growth in considering programs
2. Suggestion to use a workshop approach to the development of the budget

3. It is acceptable for board members to clarify information regarding ideas they have by talking with department heads or others
4. Large policy issues should be addressed to the Manager
5. Department heads will keep Manager informed of inquiries made
6. Give copy of agenda draft a week before

The City Manager stated that staff is working on a citywide Emergency Management Plan.

RECESS

There being no further discussion, motion was made by Councilmember DeBerry, seconded by Councilmember Leak, and unanimously carried to recess the meeting until 8:00 a.m., Saturday, March 15, 2008 in the upstairs council room of the Municipal Building.

Matthew Block, Mayor

Dolores A. Hammond, City Clerk