

**CITY OF LAURINBURG
CITY COUNCIL WORKSHOP
DECEMBER 15, 2009
W. CHARLES BARRETT ADMINISTRATION BUILDING
305 WEST CHURCH ST.
LAURINBURG, NC
7:00 P.M.**

Minutes

The City Council of the City of Laurinburg held an agenda work session on November 10, 2009 beginning at 7:00 p.m. in the conference room of the W. Charles Barrett Administration Building with the Honorable Matthew Block, Mayor, presiding. The following Councilmembers were present: Amanda F. Doerffel, Curtis B. Leak, Thomas W. Parker, III and Kenton T. Spencer. Councilmember Herbert M. Rainer, Jr. was absent.

Also present were Edward F. Burchins, City Manager, Dolores A. Hammond, City Clerk and Charles L. Hicks, Jr., City Attorney.

Mayor Block called the meeting to order at 7:00 p.m. Invocation was given by Councilmember Parker.

GUSTAF G. LUNDIN & COMPANY, LLP-CARL HEAD

Mr. Carl Head of Gustaf C. Lundin & Company presented City Council with an expressed unqualified opinion for the 2008-2009 Fiscal Year Audit. The opinion is a good one. He continued by explaining that the General Fund Balance increased by approximately \$947,000.00 (which in part resulted from the transfer from the Electric Fund to the General Fund of \$611,000.00 (to offset the cost of services that the General Fund provides to the Electric Fund)); the Electric Fund decreased by approximately \$1,600,000.00 (which in part resulted from the transfer to the General Fund of \$611,000.00, depreciation, and power purchases); the Water/Sewer Fund decreased by approximately \$437,000.00 (depreciation); and the Solid Waste Fund increased by approximately \$121,000.00 (which resulted from a transfer from the Water/Sewer Fund).

Mr. Head continued his review of the City's financial audit.

He explained that, under the SAS No. 112 rules, the fact that the entity's auditor provides assistance preparing the financial statements and journal entries are at least indicative of a significant deficiency. He stated that currently the independent accountant substantially prepares the financial statements and year-end journal entries. He informed Council last year that this was a significant deficiency, but some changes were made and are currently being handled; therefore, this year it is less of an issue and is a material deficiency only. His recommendation is that the finance officer or other accounting personnel obtain experience preparing financial statements and that significant journal entries be posted before the start of independent audit.

The Finance Officer stated that, in order allow for the proper entry of any journal entries that need to be made, the cut-off date for any capital expenditures or expenses this fiscal year will be around May 2010.

Mr. Head stated that he identified a significant deficiency which was errors in inventory counts and costing methods. He explained that it was noted during the test counts of inventory that actual quantity of inventory on hand did not match the inventory sheets in the electric and fiber departments. His recommendation is that managers supervise inventory counts as well as conduct test counts of large high dollar items after inventory has been taken. The City should consider purchasing computer software and hand scanning devices specifically designed to perpetually track pricing and quantities of inventory usage.

Mr. Burchins stated that he is contemplating a centralized purchasing department to control and maintain inventory for the City. He stated that he will bring this before Council in the next few months.

Councilmember Parker suggested that staff bid out the audit contract for the 2009-2010 fiscal year. There was no consensus at this time.

The City Manager reviewed the proposed agenda for Council's meeting to be held Tuesday, December 22, 2009.

The following items on the agenda were briefly discussed:

- Setting a public hearing on a request to rezone from Residential-15/General Business to Residential-6 ten acres of property along Emily Drive
- Setting a public hearing on a request for a conditional use permit for the development of ten acres of property for a planned residential community consisting of thirty dwellings located along Emily Drive
 - The City Manager explained that there have been questions from the neighborhood residents because of the clear cutting of the property. He then explained that he would like to suggest requiring developers to acquire a permit to clear cut any property more than 2-acres in size. He stated that he would have staff research how other municipalities handle this process and will then bring back to Council. A discussion ensued concerning the metering of water to this project if approved.
- Resolution to surplus equipment from the Laurinburg Police Department
 - Chief Evans explained that he is requesting that officers' weapons be declared surplus so that the officers can purchase their weapons. The weapons are 16years old. He then explained that the officers have agreed to purchase their weapons at a price of \$327.00 each. New weapons will cost \$409.00 each. He also stated the Police Department has a number of guns that were given to the department by the court system of which it needs to dispose. The company from which the new weapons will be purchased has offered to purchase the case of guns for the difference in the price between the new and old weapons so that it will not cost the City any money.
- Ordinances to amend the 2008-2009 Budget Appropriations Ordinance
 - One of the amendments to the Budget Appropriation Ordinance is to Transfer \$85,000.00 from the Seized Asset Investment Account - to the Seized Asset General Fund (10-435000) and then transfer these funds to the Police Department-Equipment Replacement (510-703400) for the purchase of video equipment for the Police Department.

This is money that the Police Department is required to kept separate and apart from city monies. The Department has not spent any of the seized asset money and has a balance of approximately \$92,000.00. The transfer of this money to the police department operating budget will allow the department to purchase video equipment for its vehicles. The equipment now being used is VHS equipment and is difficult to repair because of the difficulty in locating parts. There will be no cost to the City.

- The second budget amendment transfers monies from the General Fund Contingency to various departments for equipment that is currently needed. A discussion ensued regarding the transfer of \$10,000.00 from the General Fund Contingency to Contracted Services. This is for a recreation/community center project that has been discussed between the City and Scotland County.

Councilmember Parker stated that he felt that Scotland County should be asked to fund half of the money in order to show good faith that they are serious about the project.

Mayor Block reiterated that during previous Citizen Input sessions that a City Recreation Center has been suggested. This would be in collaboration with Scotland County. The purpose of this project is to find out if the time table of the County's Master Recreation Plan can be moved up and if the project is viable.

The City Manager stated that Scotland County has agreed to amend its Master Plan and has also agreed to apply on behalf of the City for a year 2011 from the Parks and Recreation project. \$500,000.00 grant in the Foundation for land acquisition for this project.

Following further discussion, the consensus among Councilmembers was to remove the \$10,000.00 from the proposed Budget Appropriations at this particular time. Ordinance

AUTOMATED METER READING

The City Manager stated that he would like to ask the consultants that have researched our automated meter reading system to make a report to Council via conference call.

The City Manager explained that the Company that the City purchased its previous automated meters from has developed a new system that is being used throughout the United States. They have agreed to allow a credit of 75% of what City paid for the previous meters in return for the City switching to and purchasing its new Mosaic system. He stated that an agreement will be brought before Council in order to initiate a pilot project here in Laurinburg to be sure they work properly. He then stated that staff would then visit the cities where the meters are currently in place to be sure that those cities are satisfied with the job and that the meters are performing the way they should. Our plan is to negotiate for more than 75% of the total monies.

There was discussion regarding staff going to visit other cities. There was no decision made.

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION (DOT) - NO PARKING

The City Clerk explained that Council had requested that DOT install no parking signs along a portion of Hwy. 401 Bypass Service Road. She explained that DOT had to have approved ordinances from the City in order to have the signs erected. She explained that the proposed location was along both sides of SR 1175 (US 401 Bypass Service Road) from a point 0.20 mile north of the southern intersection with US 15/401, northward to a point 0.35 mile north of the southern intersection with US 15/401 (Tow Away Zone 0.15 mile in length). She informed Council that the ordinances have previously been approved and that DOT will install the signs soon.

ESTABLISHING A YOUTH COUNCIL

Councilmember Spencer stated that he would like to get Council's approval to begin the process in establishing a youth council. He explained the purpose of the Youth Council. Council commended Councilmember Spencer and gave him the go ahead. A resolution will be forthcoming for Council approval.

NORTH CAROLINA ARMED FORCES COMMUNITY COVENANT

Councilmember Spencer explained that he would like Council to consider joining in with other municipalities and the state to promote support for military service members and their families by signing a Community Covenant agreement. This Covenant illustrates that the community is committed to building partnerships that support the strength, resilience and readiness of soldiers and their families.

There was consensus among Councilmembers to allow Councilmember Spencer to begin the process of a Community Covenant.

PRESENTATION OF SAFETY AWARD TO THE CITY OF LAURINBURG ELECTRIC DEPARTMENT BY ELECTRICITIES

The City Manager explained that representatives from ElectriCities would be present tomorrow (December 16, 2009) in order to present the City's Electric Department with a safety award signifying that the department had no loss work cases during the year 2008.

Adjournment

Motion was made by Councilmember Parker, seconded by Councilmember Doerffel, and unanimously carried to adjourn the meeting.

The meeting adjourned at 8:50 p.m.

Matthew Block, Mayor

Dolores A. Hammond, City Clerk