

**CITY OF LAURINBURG
COUNCIL MEETING
JUNE 19, 2009
MUNICIPAL BUILDING
303 WEST CHURCH ST.
LAURINBURG, NC
6:00 P.M.**

Minutes

The City Council of the City of Laurinburg reconvened its special meeting held on June 1, 2009, recessed on that date until June 4, 2009, reconvened and recessed on that date until June 9, 2009, reconvened and recessed on that date until June 11, 2009, and reconvened and recessed on that date until June 15, 2009, and reconvened and recessed on that date until this date and time, June 19, 2009, at 6:00 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: Dolores A. Hammond, Interim City Manager; Jenny Tippet, Deputy City Clerk; Mary McNeill, Senior Accounting Technician; Bill Riemer, Director of Administration and Development; Robert Bell, Human Resources/Risk Management Director; Ronald Pierce, Electrical Services Director; Stacey McQuage, Public Utilities Director; Harold Haywood, General Services Director; Harold Smith, Fire Chief; and Marcus Smith, Fiber Optics Director.

Mayor Block called the meeting to order at 6:08 p.m. Councilmember Rainer gave the invocation.

BUDGET DISCUSSION

Mayor Block explained that the 2009-2010 Fiscal Year Budget looked better than was expected at the beginning of the budget process. He stated that the Interim City Manager would discuss the Fund Balances and then Council will consider capital projects to be included in the budget. He added that with the budget and Fund Balances at the current levels, now is not a good time to consider any big changes to the budget, including elimination or reduction of employee benefits. He further added that when a new city manager is hired, employee benefits can be revisited, if necessary.

The Interim City Manager stated that currently the total of the proposed 2009-2010 budget is \$34,151,998.00 and it includes all contingencies Council directed staff to include. She then stated that the current Fund Balances are as follows: General Fund is \$1,738,855.00; Electric Fund is \$6,871,600.00; Water/Sewer Fund is \$982,445.00; and Solid Waste Fund is (\$8,198.00). She added that according to City policy, the undesignated Fund Balance should be 22.99% and it is currently 23.45% of the proposed budget. She further added that according to City policy, the designated Fund Balance is currently 16.58% and should be 16% of the proposed budget.

A discussion ensued concerning the different Fund Balances. Mayor Block explained that, instead of transferring funds from the General Fund, he was in favor of transferring \$120,000.00 from the Water/Sewer Fund to the Solid Waste Fund.

The Interim City Manager cautioned about transferring money from the Water/Sewer Fund because if something major should happen at the Water Treatment Plant or to one of the City's wells, the Fund Balance will be needed. She explained that water is one of the City's biggest commodities.

A discussion ensued concerning the history of the Water/Sewer Fund Balance. Mr. Ellis explained that several years ago it was around \$1,000,000.00. He further explained that the City completed a major expansion of the Water Treatment Plant in the late 1990's and added six (6) new wells. He added that it has taken several years for the Water/Sewer Fund to build back up.

Upon question by Mayor Block, the Interim City Manager explained that there is \$175,000.00 and \$75,000.00 in Contingency that is designated for the City's match for grants the City has been awarded.

Further discussion ensued concerning the Fund Balance amounts and the need to transfer money from one (1) of the City's funds to the Solid Waste Fund. It was consensus to transfer \$130,000.00 from the Water/Sewer Fund to the Solid Waste Fund.

Councilmember Leak requested that Council discuss employee benefits since so many employees were in attendance at the meeting.

Mayor Block explained that there does not appear to be a need to reduce any employee benefits.

CAPITAL ITEMS-GENERAL FUND

A discussion ensued concerning the need for street paving and the amount of funding necessary for street paving.

Councilmember Parker suggested that Council put \$250,000.00 in the budget for street paving.

Councilmember DeBerry explained that Council had already approved the paving of Deluca Street and that it should be first on the list for paving. Discussion ensued concerning the paving of Deluca Street and the cost of adding storm drainage. Councilmember Deberry explained that, due to the cost of paving Deluca Street, it had been discussed to pave Deluca Street in sections and not to require curb and gutter.

Councilmember Rainer expressed concern that the City had always required that streets have curb and gutter and that not to do so would be inconsistent with City policy. He added that he felt that, if it is paved, it should be done properly.

A discussion ensued concerning the use of Powell Bill funds for street paving.

Councilmember Leak requested that Mr. McQuage provide Council with figures for improving Deluca Street with curb and gutter and without.

Further discussion ensued concerning the necessary funding for street resurfacing. It was consensus of Council to put \$250,000.00 in the Other Improvements line item in the Streets & Highways Department for street resurfacing for a total in that line item of \$268,000.00.

Upon question by Councilmember Rainer, Mr. McQuage explained that Powell Bill funds are used for regular street maintenance such as pothole repairs.

A discussion ensued concerning lawn mowers in the Cemetery Department.

Chief Evans discussed the need for two (2) police cars and money for Travel and Schools. He explained that the State will award bids for vehicles in January 2010.

A discussion ensued concerning Fire Department capital needs. Mr. Smith explained the need for a gear washer for the turnout gear and the need for a new fire engine. He added that the City applied for a grant with the Federal Emergency Management Agency (FEMA) for the fire engine but would not know until October if the grant is approved. He further added that the grant would require a match of \$38,500.00 from the City.

A discussion ensued concerning Scotland County's replacement of its fire engine.

A discussion ensued concerning replacement of sewer lines and the need to include funds in the budget for unexpected sewer line repairs or construction.

Mr. McQuage explained that this past year there were four (4) large expenditures in the Sewer Department, one (1) was sewer installation in a subdivision, and three (3) were for large sewer line repairs. He added that the total cost was approximately \$45,000.00.

Mayor Block requested that Council put \$20,000.00 in contingency for recreation either for funding the open gyms or for hiring a consultant to look into exploring the idea of building a recreation center.

Councilmember Leak expressed concern about spending for the citizens while taking away a wellness program for the employees.

Councilmember Parker explained that Ms. Oogleby from the Lumber River Council of Governments will be contacting Mr. Bell about a program with Merck to provide education about lifestyle choices for employees.

Councilmember Parker suggested putting \$20,000.00 in Contingency for the recreation center but not doing anything with that money until January when the budget can be reassessed by the new city manager.

Mayor Block stated that Councilmember Parker had expressed a desire to set aside money for the WARM program.

The Interim City Manager stated that this could come out of the Electric Fund instead of the General Fund.

A discussion ensued concerning the need for new police cars, the increase in crime, ways to get creative in reducing operating costs of police cars, and the stress imposed on police vehicles.

Following discussion, it was consensus of Council to include the following items in General Fund Contingency:

- \$10,000.00 for mowers for the Cemetery
- \$55,000.00 for two (2) police cars
- \$10,000.00 for Travel and Schools for Police Department
- \$38,000.00 for new fire engine contingent upon receipt of grant
- \$10,000.00 for gear washer for Fire Department
- \$10,000.00 for Recreation
- \$10,000.00 for employee wellness program
- \$2,500.00 for Council travel

WATER/SEWER FUND-CONSTRUCTION

Following discussion it was consensus of Council to put \$45,000.00 in the Water Construction line item and to complete projects within the City before working on projects outside the City limits.

FEE SCHEDULE

A discussion ensued concerning the fire line rates included in the Fee Schedule. Following discussion, it was consensus to remove the fire line rates from the Fee Schedule and for staff to become more aggressive in pursuing the backflow prevention regulations.

GENERAL DISCUSSION

A discussion ensued concerning mowing the shoulders and medians of US 15-401 Bypass. It was consensus of Council to fund \$27,000.00 in the Contracting Services line item of the Beautification Department for contracting out the mowing of shoulders and medians of US 15-401 from Highland Road to Blue's Farm Road.

A lengthy discussion ensued concerning new trashcans for the downtown area. Following discussion, it was consensus of Council to put \$6,200.00 in the Equipment line item of the Beautification Department budget for the purchase of

trash cans for the downtown area.

CITY MANAGER'S SALARY

A discussion ensued concerning salary for the incoming city manager. It was consensus of Council to make the Salary line item for the City Manager \$138,249.00 and to include \$5,000.00 maximum for moving expenses.

FORMER CITY MANAGER VACATION

A discussion ensued concerning the City's policy on maximum vacation hours that can carry over each year and the amount paid to the former City Manager for his vacation hours.

Upon question by Councilmember Parker, the Interim City Manager explained that the proposed budget amendment transferring \$20,000.00 to the Salary line item of the City Manager was to avoid an audit write-up. She added that the Finance Director did not believe the entire \$20,000.00 would be used but wanted to ensure that enough money was transferred.

OTHER

The Interim City Manager stated that she was proposing an extra three (3) days vacation for employees in lieu of Cost of Living Allowance increase and merit pay. She added that she would have to provide the cost of this proposal later.

The Interim City Manager explained that she was notified that the Senate leadership is proposing to increase tax on electricity to match the tax on natural gas and fuel oil. She added that ElectriCities will lobby against this proposal.

Councilmember Faulk suggested that a letter be written to Senator Purcell opposing this proposal.

PUBLIC COMMENT

Mayor Block explained that the budget process had been a learning experience. He added that he hoped Council did not cause unnecessary anxiety about the budget process. He further explained that the budget was not in as bad shape as he had thought it was going to be which is why consideration was given to doing something with employee benefits. He further added that he did not want employees to think that Council did not value their services and that he wanted them to understand that any action taken was not done lightly or out of disrespect. He concluded by stating that the Council had achieved its goals in the budgeting process and the Fund Balances were in better shape than they had been.

The Interim City Manager explained that the cost for giving employees an additional three (3) days of vacation would be \$77,856.00 and the cost of giving a one percent (1%) merit pay increase would be \$61,000.00.

Councilmember Parker stated that all money had been allocated.

Upon question by Mr. Lauren Dunn, City employee, Councilmember Faulk stated that, in order to suspend merit pay, Council would have to pass a resolution each year since the provision for merit pay is in the City's Personnel Policy.

RECESS

Motion was made by Councilmember DeBerry, seconded by Councilmember Faulk, and unanimously carried to recess the meeting to Monday, June 22, 2009 at 6:30 p.m. at McDuff's Restaurant located at 1705 US 15-401 Bypass.

The meeting recessed at 8:10 p.m.

Matthew Block, Mayor

Dolores A. Hammond, City Clerk