

**CITY OF LAURINBURG  
COUNCIL MEETING  
JUNE 4, 2009  
MUNICIPAL BUILDING  
303 WEST CHURCH ST.  
LAURINBURG, NC  
6:30 P.M.**

**Minutes**

The City Council of the City of Laurinburg reconvened its special meeting held on June 1, 2009 and recessed on that date until this date and time June, 4, 2009 at 6:30 p.m. in the council chambers of the Municipal Building located at 303 West Church with the Honorable Matthew Block, Mayor, presiding. The following Councilmembers were present: Amanda B. Faulk, Curtis B. Leak and Herbert M. Rainer, Jr. Councilmember Thomas W. Parker, III. arrived at 6:38 p.m. and Councilmember Rembert DeBerry arrived at 6:40 p.m.

Mayor Block called the meeting to order at 6:34 p.m. Councilmember Faulk gave the invocation.

Also present were: Dolores A. Hammond, Interim City Manager; Jenny Tippett, Deputy City Clerk; Cindy Carpenter, Finance Director; 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; Kevin Strickland, Commander, Rescue Squad; Marcus Smith, Fiber Optics; Kimothy Monroe, Police Department Captain; and Robert Ellis, Water/Wastewater Director.

**CLOSED SESSION**

At 6:35 p.m. motion was made by Councilmember Rainer to go into closed session pursuant to North Carolina General Statute 143-318.11(a)(6), to discuss the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee. Councilmember Leak seconded the motion, and it unanimously carried to go into closed session.

At 7:02 p.m., upon returning to the council room, motion was made by Councilmember DeBerry, seconded by Councilmember Faulk, and unanimously carried to adjourn the closed session and resume the open meeting.

**PROPOSED 2009-2010 BUDGET**

The Interim City Manager stated that she wanted to apologize to Council that staff did not present a budget that met Council's requirements. She also stated that as Interim City Manager she accepted the responsibility for that as she must not have given clear direction to staff members. She added that she hoped the proposed budget is satisfactory for Council's review and discussion so that staff can get clear direction from Council on how to proceed with the budget. She further added that, with small departments, meeting the 5% reduction was difficult. She explained that Public Safety was reduced as much as could be done and still protect the citizens. She then discussed each fund as follows:

- The General Fund was reduced 2.5%. She stated that Council needed to hear explanations.
- The Electric Fund was reduced 17.6%.
- The Water/Sewer Fund was decreased 5.2%.
- The Solid Waste Fund was decreased 7.5%.

The Interim City Manager stated that staff reluctantly reduced budgets and would like to explain why some of the items cut from the budget need to be put back in. She then requested that Mr. Kevin Strickland, Rescue Commander, be allowed to discuss his budget first as his son has a baseball game that he would like to attend.

## **RESCUE**

A discussion ensued about the Rescue Squad budget. Mr. Strickland stated that he had further reduced the Equipment Replacement line item to \$60,000.00 (which reduction was not reflected in the budget Council had before it). He explained that \$30,000.00 of the reduction was for lease payment on one of the Rescue trucks, and the remainder was for turnout gear, basic coveralls, gloves, helmets, radios and rope.

Councilmember Leak explained that the line items Council had expressed concern about during the previous meeting were Telephone and Contract Services which had not been cut. He added that he was also concerned about the Equipment Replacement line item because in 2007 and 2008 it was \$61,000.00 and \$65,000.00 respectively, but only \$43,000.00 was spent in 2008, and then the request for 2009 was for \$60,000.00.

Upon question by Mayor Block, Mr. Strickland explained that equipment was not purchased in 2008 but would need to be purchased in 2009.

A discussion ensued concerning the use of Fire Department turnout gear by the Rescue Squad. Mr. Strickland explained that the Rescue Squad uses different turnout gear than the Fire Department.

Upon question by Councilmember Leak, Mrs. Carpenter explained that the County has approved providing \$50,000.00 of the \$100,000.00 for the Rescue Squad. She further explained that the County would reimburse one-half (1/2) of the total Rescue Squad budget.

A discussion ensued concerning the Telephone line item. Councilmember Parker explained that Council's concern is that in 2008 \$1,700.00 was budgeted, but only \$600.00 was expended, and the request for 2009 was again \$1,700.00. He cited this as an example of misbudgeting by staff.

Further discussion ensued concerning the Telephone line item and Equipment Replacement line item. Mrs. Carpenter suggested that \$1,000.00 be removed from the Telephone line item and that the Equipment Replacement line item be \$60,000.00.

A discussion ensued concerning the Departmental Materials and Supplies line item and the Maintenance and Repair Equipment line item. Councilmember Parker expressed concern that more was expended than was budgeted in these two (2) line items.

Mr. Strickland explained that because one of the trucks is getting older, the maintenance costs are going up.

Following further discussion, Mayor Block suggested that the \$1,000.00 removed from the Telephone line item be used for Departmental Materials and Supplies and Maintenance and Repair Equipment.

Mr. Strickland stated that another item that may be affected in his budget will be Travel and Schools for training at Richmond Community College. This is because training in the past had been free.

The Interim City Manager explained there is proposed legislation in the General Assembly that would require Public Safety (Rescue, Fire and Police) to pay for training that had previously been free.

Councilmember Leak expressed concern that a lot of money is spent on travel and schools.

Mr. Strickland explained that the Rescue Squad has an in-house trainer for medical continuing education.

Councilmember Rainer expressed concern about the insurance costs associated with the Rescue Squad and requested that the Human Resources/Risk Management Director investigate another insurance carrier in the future.

## **FUND BALANCES**

Mayor Block requested that Mrs. Carpenter provide an overview of fund balances.

Mrs. Carpenter explained that the City's Fund Balance Policy requires that the balance be approximately 23% with 16% of the total being undesignated Fund Balance. She added that at the end of 2007-2008 fiscal year, the balance was 19.5% with 12.7% being undesignated. She added that if the projected \$500,000.00 remains in Fund Balance at the end of Fiscal Year 2008-2009, then the Fund Balance is projected to be 25.68% with 18% undesignated, thereby meeting the requirements of the Local Government Commission (LGC). She cautioned that the percentages are estimates and are unaudited. She explained that the cut-off time for purchases is in two (2) weeks and that after that time, she should be able to provide a more accurate estimate of balances and expenditures.

Councilmember Faulk explained that she is concerned about the City being in compliance with the balance requirements of the LGC, but she is also concerned about the lack of capital improvements included in the budget.

Mrs. Carpenter explained that her concerns about the 2009-2010 budget and Council's requirement that the proposed budget be reduced by 5% of estimated expenditures are as follows:

- The estimated expenditures are probably not true figures.
- There are fixed expenditures in each department such as property and liability insurance, utilities, health insurance, and dental insurance.'
- Postage costs have increased 44%.
- Mandated equipment such as some of the software used throughout the City is a fixed cost and there is no way to reduce the cost.

Mrs. Carpenter explained that because the Internal Revenue Service (IRS) changed its guidelines concerning cell phones, staff researched ways to reduce the cost to the City and made changes in the City's cell phone policy. She added that some departments will see an increase in telephone costs, but the overall cost to the City for cell phones will be reduced by \$5,000.00.

Mrs. Carpenter explained that another of her concerns about the proposed budget is that there are no capital replacements or additional capital items included in the budget.

## **GOVERNING BODY**

The Interim City Manager explained that the Salary line item came down because Mayor Block does not receive a salary. She added that staff reduced the Professional Services line item \$75,000.00 based on the average invoices from Gordon, Hicks & Floyd, P.A. and Gustaf C. Lundin & Company.

Mrs. Carpenter explained that also taken out of the Professional Services line item were Farrington & Smith and a personnel attorney that has been used in the past for personnel matters.

Upon question by Councilmember Rainer, Mrs. Carpenter explained that because the Salary line item was reduced, the FICA taxes, retirement and 401k line items were reduced because these items are based on the salary line item.

The Interim City Manager explained that the Travel and Schools line item includes travel for the Governing Body including the Base Realignment and Closings (BRAC) meetings, ElectriCities, and any other travel that Council may do. It also includes one-half (1/2) the cost of travel for the City Clerk. She further explained that the other one-half (1/2) of her expenses are included in the Administrative (420) budget. She added that she will be President of the North Carolina Municipal Clerks Association next year and if necessary, she will pay for her own travel expenses.

Following discussion, it was consensus of Council to include \$2,500.00 in the Travel and Schools line item for the Clerk.

Upon question by Councilmember Rainer, the Interim City Manager explained that the *Our State* magazine and Rotary dues (paid for the previous City Manager) were deleted from the Dues and Subscriptions line item. She added that the remainder of the items in Dues and Subscriptions include the League of Municipalities, Sister Cities, the Black Caucus, Lumber River Council of Governments, National League of Cities, and Rural Land Use Advisory Commission, none of which can be deleted or changed.

## **ADMINISTRATIVE**

The Interim City Manager explained that Travel and Schools for the City Manager and one-half (1/2) the City Clerk was deleted from the Administrative budget. She added that the City Manager generally attends Electricities meetings, the North Carolina League of Municipalities Conference, two (2) City Manager conferences, and any other meetings Council desires him to attend.

Following discussion, it was consensus of Council to put \$5,775.00 back in Travel and Schools for the City Manager's travel and one-half (1/2) the City Clerk's travel.

The Interim City Manager explained that the expenditures for Administrative included payment to the former City Manager for his unused vacation.

## **PERSONNEL/SAFETY**

Mr. Bob Bell, Human Resources/Risk Management Director explained that he had eliminated funds in the Travel and Schools line item; however, he requested \$500.00 to attend a North Carolina Chapter of the International Personnel Managers Association (IPMA) Human Resources Conference and Board meeting.

It was consensus of Council to allow \$500.00 for Travel and Schools for the Human Resources/Risk Management Director to attend the IPMA conference.

Mr. Bell explained that the figure for the Unemployment Compensation line is provided by the Employment Security Commission (ESC).

A discussion ensued concerning the Health and Fitness line item which includes two (2) Fitness days for employees, a quarterly wellness newsletter, and one-half (1/2) the cost for 25 employees to participate in the Weight Watchers At Work Program. Mr. Bell explained that the Weight Watchers program was set up so that the City pays one-half (1/2) of the \$12.00 weekly fee for employees participating, and once the employee reaches the goals set, the City reimburses the employee.

Following further discussion, it was consensus of Council to fund only one (1) Fitness Day per year for employees.

Further discussion ensued concerning the Weight Watchers program.

Upon question by Councilmember DeBerry, Mr. Bell explained that a healthy employee helps save money on health insurance costs.

Councilmember Parker explained that he was in favor of the Weight Watchers Program, but he felt that incentives should be used for participants to get within a healthy weight range.

Mr. Bell explained that the program was set up to reward participants when goals were met. He further added that, after the last discussion on June 1, 2009, he had removed \$6,000.00 for the incentives from the Weight Watchers Program. He further explained that he felt the Weight Watchers Program was good for employees.

Councilmember Rainer explained that he felt that individuals should be concerned about their own health enough to take care of themselves and not need the City to provide incentives.

Further discussion ensued concerning the Weight Watchers Program.

Mayor Block stated that it was a good idea to leave the Weight Watchers Program in as an experiment for one (1) year.

A discussion then ensued concerning dental insurance. Upon question by Mayor Block, Mr. Bell stated that the cost of dental insurance is \$22.00 per month per employee, or approximately \$46,000.00 per year.

Mayor Block stated that an option would be to offer to pay employees up to 50% of their dental care coverage.

Following further discussion, there was no decision concerning dental insurance.

The Interim City Manager explained that staff needed direction from Council concerning the Weight Watchers Program.

Following discussion, it was consensus of Council to reduce the Health and Fitness line item to \$2,000.00 by removing one Health and Fitness Day and by removing the Weight Watchers Program.

Councilmember Rainer expressed concern that Travel and Schools was removed from every department, and he considered it ridiculous because staff cannot survive without some kind of travel.

The Interim City Manager explained that she instructed staff to take Travel and Schools out. She added that it is one of the largest items that could be cut.

Mr. Robert Ellis, Water/Wastewater Treatment Plants Director, explained that in order to meet Council's directive to reduce the budget by 5%, it was necessary to take out or greatly reduce Travel and Schools because there are only a few items that staff can reduce.

## **FINANCE ADMINISTRATION**

The Finance Director explained that she had decreased Salary by \$500.00 by removing some overtime, had taken out all Travel and Schools, and reduced Departmental Materials and Supplies, and had reduced insurance due to an adjustment. She added that she had also taken out the new computer that she had previously budgeted for herself. She then discussed the educational conferences that are offered for Finance Officers that she has attended in the past.

Following discussion, it was consensus of Council to allow \$1,500.00 for Travel and Schools for the Finance Director to attend two (2) conferences.

Upon question by Councilmember Rainer, Mrs. Carpenter explained that the Maintenance and Repair Equipment line item includes software maintenance for the Harris and Munis systems, service support of the server, and updates to the software. She added that the costs for the software are distributed to all of the departments that use the software based on the number of users and the usage. She then added that a new check signer is also included in this line item.

Following a brief discussion, it was consensus of Council to change the Dues and Subscriptions line item to \$302.00.

## **ACCOUNTING**

Mrs. Carpenter explained that she had reduced overtime by \$500.00 which in turn decreased the items tied to salary, such as FICA taxes, retirement and 401k contribution.

A discussion ensued concerning Postage. Mrs. Carpenter explained that the majority of postage from the Accounting Department is for vendor checks but also includes mailing of Council's paychecks and Special Separation Allowance checks.

A discussion ensued concerning direct deposit for council members. Mrs. Carpenter stated she would provide direct deposit sign-ups to Council.

Mrs. Carpenter explained that she had taken out all Travel and Schools; however, there are two (2) conferences that she needs to attend, a sales tax conference and a Munis conference. She estimated that the cost for both would be approximately \$200.00.

It was consensus of Council to add \$200.00 to the Travel and Schools line item.

Upon question by Councilmember Rainer, Mrs. Carpenter explained that the Maintenance and Repair Equipment line item included maintenance on the Harris and Munis software systems, a copier, the Pitney Bowes mail machine and the new folder/stuffer.

Mrs. Carpenter explained that the other reduction in the Accounting Department was in Departmental Materials and Supplies.

## **TAXATION**

Mrs. Carpenter explained that the tax listing in the Advertising line item was deleted because the City will not be charged by the County for that information. She added that the budget was reduced by taking out all Travel and Schools. She further added that the Tax Collector has completed all certification training to be a Certified Tax Collector and does not need to attend any schools next year.

Upon question by Mayor Block, Mrs. Carpenter explained that the Maintenance and Repair of Equipment is for maintenance on the Harris and Munis systems, copier, Pitney Bowes postage machine, and the folder/stuffer. She added that if Council decides to consolidate tax collection with Scotland County, some of these fixed costs will have to be absorbed by other City departments.

The Interim City Manager stated that if Council wants to consolidate tax collection, a decision needs to be made quickly so that the agreement can be redone and resolutions and ordinance changes prepared for the County to take over by July 1, 2009.

Following discussion, it was consensus of Council not to make a decision on the tax consolidation issue until a new City Manager has been hired; however it will be discussed at the June 9, 2009 agenda workshop/budget meeting.

A discussion ensued concerning advertising delinquent taxes. Mrs. Carpenter explained that the cost for advertising delinquent taxes depends upon the number of delinquents and the font size *The Laurinburg Exchange* uses.

It was consensus of Council to reduce the Advertising line item to \$5,500.00.

At 8:30 p.m. Mayor Block called for a short recess of the meeting.

The meeting resumed at 8:44 p.m.

## **BUILDING MAINTENANCE**

Mr. Bill Riemer discussed the pros and cons of bidding out the janitorial services for the Barrett Building and the Municipal Building.

Mayor Block suggested that the discussion to bid janitorial services off be delayed until the individual currently performing the job is ready to retire.

Mr. Riemer stated that funds in the Travel and Schools line item were deleted and that Maintenance and Repair Equipment line item was reduced by \$13,000.00. He added that Councilmember Parker had requested in a previous budget workshop to remove the HVAC systems and add in the roof repairs for the Municipal Building. He further

added that included in this line item are two (2) elevators, the large generator located between the Municipal Building and the Barrett Building, four (4) HVAC units at the Barrett Building that are 14 years old, five (5) units at the Municipal Building, three of which are 20 years old, and one unit at the Emma Ruth McLean Library. He explained that because of the items included in this line item, he did not feel comfortable reducing it. He further explained that he did not include the roof repairs for the Municipal Building.

Following further discussion concerning the roof repairs on the Municipal Building, it was consensus of Council to put \$20,000.00 in Contingency for the roof repairs.

## **ADMINISTRATION**

Mr. Riemer explained that he had reduced Travel and Schools and Departmental Materials and Supplies line items.

Upon question by Mayor Block, Mrs. Carpenter explained that the Salary line item increased due to longevity.

The Interim City Manager explained that Jenny Tippett is working toward her Master Municipal Clerk (MMC) certification and needed some funds to attain this certification.

Following a brief discussion, it was consensus of Council to put \$350.00 in the Dues and Subscriptions line item for the MMC certification for Jenny Tippett.

## **PLANNING**

Mr. Riemer explained that the Travel and Schools line item was deleted, the Demolition line item was reduced, and the on-line permitting has been deleted.

## **ENGINEERING**

Mr. Riemer explained that the Maintenance and Repair Equipment line item, the Automotive Maintenance and Repair line item, the Departmental Materials and Supplies line item, and the Contracted Services line item were reduced. He stated that his primary concern with the reductions is with Contracted Services because included in this line item are funds for the contractor who helps maintain the City's GIS system. He added that if there are problems with GIS, there is not enough in that line item for the year.

Further discussion ensued concerning the GIS contractor and maintenance of software.

## **BEAUTIFICATION**

Mr. Riemer explained that the Beautification Director has two (2) certifications that require continuing education so the Travel and Schools line item was not completely deleted. He added that the Automotive Materials and Repair line item, Departmental Materials and Supplies line item, and the Contracted Services line item were reduced.

It was consensus of Council to adjust the Maintenance and Repair Equipment line item to \$2,000.00.

A discussion then ensued concerning membership fees to the Laurinburg/Scotland County Area Chamber of Commerce. The Interim City Manager explained that the City pays for four (4) members, the City Manager, the City Clerk, Human Resources Director and the Beautification Director.

Following a brief discussion, it was consensus of Council to change the Dues and Subscriptions line item to \$500.00.

A discussion ensued concerning the number of members and the membership fees to the Chamber. Councilmember Rainer stated that with the money the City donates to the Chamber, membership should be free.

The Interim City Manager stated that she would talk with the Chamber regarding the membership fees.

Mr. Riemer stated that the largest reduction in the Beautification budget is under the Other Improvements line item. This was accomplished by taking out the Annual Tree Giveaway, reducing the amount of tree trimming and takedowns, and not funding any right-of-way planting. Given all of the old trees in town for which the City is responsible, he expressed concern regarding the potential liability the City faces in light of this reduction.

Upon question by Councilmember Faulk, Mr. Riemer stated he would check to make sure the City will still qualify as a Tree City.

Discussion ensued concerning the amount spent on tree trimming and takedowns.

Councilmember Parker suggested that \$13,300.00 be put in Contingency for tree trimming and takedowns.

Following discussion about placing money in Contingency, it was consensus of Council to put \$10,000.00 in Contingency for tree trimming and takedowns.

A discussion ensued concerning the Annual Tree Giveaway.

Mr. Riemer explained that he had been instructed to obtain financial information concerning the proposed new trash cans for the downtown area. He further explained that based on three (3) landscape workers spending 45 minutes three (3) times per week emptying the trash cans downtown, utilizing trash cans that allow the one-armed bandit pick up the trash cans will save the City \$3,317.00 per year. He added that it is not just a money-saver, but will free up time for the landscape workers to focus more on beautification issues.

## **CEMETERY**

Mr. Riemer stated that the Cemetery budget was reduced five percent (5%) as required by Council. He added that his concerns with this reduction were in the Maintenance and Repair Equipment line item; there are funds for gasoline only and no money for any equipment repair or maintenance. He further added that in the Departmental Materials and Supplies line item, there is no money for chemicals such as fire ant control and weed control.

A discussion ensued concerning uniforms for employees including fuel surcharges in the uniform contract.

Following a brief discussion, it was consensus of Council to make the Maintenance and Repair Equipment line item total \$4,600.00 and to make the Departmental Materials and Supplies line item total \$5,200.00.

## **POLICE**

Captain Kimothy Monroe explained that Chief Evans had a death in his wife's family and could not be present.

The Interim City Manager stated that Council had requested information concerning the number of calls, crimes reported by week, total crimes, number of traffic accidents, and a roster of department personnel. She added that the Police Department is comprised of 38 sworn officers, two (2) support staff, four (4) full-time telecommunicators, one (1) part-time telecommunicator, and two (2) school crossing guards.

Upon question by Councilmember Parker, Captain Monroe stated that the shifts run 7:00 a.m. to 7:00 p.m. and 7:00 p.m. to 7:00 a.m., 12 hour shifts.

Captain Monroe stated that the total number of crimes was 1,486 of reports for the July 1 to May 20, 2009 period. He added that the peak time for crimes is between 4:00 and 6:00 p.m. He explained that there are two (2) shifts, with four (4) squads. Each squad has eight (8) personnel per squad including a working Lieutenant and Sergeant.

Mrs. Carpenter stated that Chief Evans is most concerned about reducing the Travel and Schools line item and the Uniforms line item. She cited the proposed legislation to make public safety pay for training at community colleges as the reason for concern with reducing the Travel and Schools line item.

Captain Monroe added that Chief Evans was also concerned about reducing the Automobile Maintenance and Repair line item.

Mrs. Carpenter stated that since new police vehicles have been removed from the budget, Chief Evans is concerned that maintenance on current vehicles will increase.

Upon question by Councilmember Parker, Captain Monroe stated that the Uniforms line item was reduced because the department would no longer replace uniforms automatically; they would be replaced on an as needed basis.

A discussion ensued concerning the need for bullet proof vests. Captain Monroe explained that bullet proof vests have expiration dates and some will need to be ordered in this budget year.

Mrs. Carpenter stated that Chief Evans would like to keep the \$20,000.00 in the Uniform line item and not reduce the Travel and Schools line item or the Automotive Maintenance and Repair line item.

Upon question by Councilmember Parker, Mrs. Carpenter stated that included in the Automobile Maintenance and Repair line item are gas, oil and maintenance for 38 vehicles and three (3) pieces of equipment.

A discussion ensued concerning the Automobile Maintenance and Repair line item. Councilmember Parker expressed concern that because the price of gas had decreased, this line item may have some funds available that could be moved to another line item that is deficient.

Upon question by Councilmember Parker, Mrs. Carpenter explained that the DCI Interface and computers are rented by the department.

A discussion then ensued concerning the Equipment Rental line item. Councilmember Parker stated that the line item should be left as is unless there has been an increase in rental for the equipment.

## **FIRE**

Fire Chief Harold Smith explained that the Travel and Schools line item was reduced and would have been reduced more until staff was made aware of the possibility of having to pay for training at Richmond Community College. He added that the Maintenance and Repair Equipment line item was reduced and that the Contracted Services line item was increased.

Upon question by Councilmember Parker, Mrs. Carpenter explained that the Salaries line item was the same as budgeted the previous year because it includes overtime and holiday pay.

It was consensus of Council to reduce the Salaries line item to \$275,000.00 which will reduce the FICA taxes, retirement and 401k Contribution line items.

A discussion ensued concerning the Contracted Services line item. Mrs. Carpenter stated that the final figures for volunteer firemen had been received and that the estimated expenditure figure is final since the last payment to volunteers is made in May.

Upon question by Mayor Block, the Interim City Manager explained that the Equipment Replacement line item was reduced by removing the fire hoses, computer software, chainsaws, piston intake, walkies, and gear.

It was consensus of Council to reduce the Departmental Materials and Supplies line item to \$7,500.00

A discussion ensued concerning trucks purchased by the City. Mrs. Carpenter explained that only one (1) truck was purchased by Consumer Billing Department last year.

Mrs. Diane Chavis, Consumer Billing Supervisor, explained that the very small pickup trucks do not have enough

room for the equipment the meter readers carry, so extended cab trucks are necessary.

Upon question by Councilmember Parker, Mr. Ellis explained that 4-wheel drive trucks are needed in his department in order to reach remote sites in bad weather.

Mr. Smith explained that in order to meet the required 5% reduction, he took out all new capital items from Equipment Replacement. He added that the personal protective gear, the piston intake for the ladder truck, the walkies to replace 15 year old pagers, nozzles and a fire hose were necessities that had been cut.

Following discussion, it was consensus of Council to make the Equipment Replacement line item \$90,206.00.

Mr. Smith explained that the turnout gear purchased with a federal grant should last 10 years but that with no proper way to wash the gear, it does not last as long as projected. He added that he had removed a \$10,000.00 gear washer from the budget in order to meet Council's required budget reduction.

A discussion ensued concerning a request for additional money for turnout gear and a budget amendment last year. Councilmember Parker requested that the Interim City Manager research the minutes to determine the reason provided by staff for needing the budget amendment.

A discussion ensued concerning use of the ladder truck.

A discussion ensued concerning the budgeting process. Mr. Smith explained that when he prepares a budget, he estimates what he believes will be spent during the year. He added that it has always been the philosophy at the City that if something was not needed, the money was not spent.

Councilmember Parker expressed concern that last year upon the advice of the former City Manager, taxes were raised in order to increase the City's Fund Balance, and yet there will be approximately \$600,000.00 unspent from the 2008-2009 budget. He explained that since he has been a council member, the City always overestimates expenses and underestimates revenues. He added that it is a conservative approach; however, in tight economic times, it places Council in a tough situation to justify spending and increasing taxes to the taxpayers.

Further discussion ensued concerning the budgeting process.

A discussion ensued concerning the use of the County's fire engine and the amount that the County pays the City for responding to fire calls in the County. Mr. Smith explained that approximately 45% of the fire calls responded to by the Laurinburg Fire Department are in two (2) of the County Fire Districts, and the County pays the City \$61,000.00 for these services. He further explained the method the County uses to distribute the \$.02 fire tax assessed to Scotland County residents.

Following further discussion, Mayor Block stated that this item should be discussed with the County Commissioners at the next joint meeting.

Mr. Smith explained the relationship between the City's fire rating and citizens' homeowners and commercial insurance. He added that the City's fire engine will need to be replaced in order to maintain the fire insurance rating. He further added that the truck barely passed the flow test last week.

Further discussion ensued concerning the purchase of a fire engine.

Following discussion, it was consensus of Council to recess this meeting until Tuesday, June 9, 2009 at 6:00 p.m. before and after Council's agenda meeting on that night.

Councilmember Rainer stated that Council needed to set up a meeting for one day or one-half (1/2) day retreat within the next week.

Following discussion, it was consensus of Council to hold a retreat meeting on Monday, June 15, 2009 at 5:15 p.m. in

the council chambers of the Municipal Building located at 303 West Church Street.

**RECESS**

Motion was made by Councilmember DeBerry, seconded by Councilmember Parker, and unanimously carried to recess the meeting to June 9, 2009 at 6:00 p.m. in the conference room of the W. Charles Barrett Building located at 305 West Church Street.

The meeting recessed at 10:40 p.m.

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Matthew Block, Mayor

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Dolores A. Hammond, City Clerk