

**CITY OF LAURINBURG
RECONVENED MEETING
MAY 29, 2012
MUNICIPAL BUILDING
303 WEST CHURCH ST.
LAURINBURG, NC
5:30 P.M.**

Minutes

The City Council of the City of Laurinburg reconvened its May 22, 2012 meeting on May 29, 2012 at 5:30 p.m. in the council room of the Municipal Building with the Honorable Thomas W. Parker, III, presiding. The following Councilmembers were present: Mary Jo Adams, Curtis B. Leak, Herbert M. Rainer, Jr., Kenton T. Spencer, and Andrew G. Williamson, Jr.

Also present were Edward F. Burchins, City Manager; Jennifer A. Tippet, City Clerk; Cindy Carpenter, Finance Director; Police Chief John Evans; Ronald Pierce, Electrical Services Director; Harold Haywood, General Services Director; Stacey McQuage, Public Utilities Director; Brandi Deese, Planning and Development Director; Tim Pierce, GIS Administrator; and Mary McNeill, Senior Accounting Technician.

Upon motion made by Councilmember Leak, seconded by Councilmember Rainer, and unanimously carried, Mayor Parker reconvened the May 22, 2012 meeting on May 29, 2012 at 5:30 p.m.

The Invocation was given by Councilmember Rainer.

Mayor Parker explained that the proposed 2013 budget would be presented. He requested that if Council was asking questions or requesting information that would require a lengthy response, to make a note of the question and give to the City Manager for response later.

The City Manager explained that he planned to go through the entire budget and then Council would hold a retreat Thursday night.

GENERAL FUND

Mrs. Carpenter then reviewed the following:

- Conservative estimates on revenues in the General Fund
- Projection for first year taxes in 2012-2013 is \$3,041,700 which is the same projected for current year
- Sales tax projection is \$1,800,360.00 for this year and next year
- State grants are down, but will do budget amendments once grants are received
- Federal grant is the Governor's Highway Safety Grant will continue to receive

- Proposing to move funds from the Cemetery Perpetual Care Fund to pay for capital improvements in the cemetery
- Proposing to transfer \$350,000.00 from the Electric Fund to the General Fund, less than what has been transferred in the past
- Proposing to transfer \$414,000 from Solid Waste Fund to General Fund. This is to pay back where the General Fund has subsidized the Solid Waste Fund in the past.

The City Manager discussed the following under the **Governing Body** budget:

- No big change in the Governing Body budget compared to last year

The City Manager then discussed the **Administration** budget:

- City Manager's computer needs to be replaced
- Budget includes \$50,000.00 for two (2) Management Trainees as part of the Succession Plan

Upon questions by Councilmember Spencer, the City Manager explained that the Management Trainees would report to him and will be recruited when he feels additional personnel are needed. He added that this is in addition to the New Generations Grant in cooperation with the Chamber of Commerce. He further added that the City will receive three (3) to four (4) trainees involved in the New Generations Grant Program.

Upon question by Councilmember Adams, the City Manager explained that internships with UNC-Pembroke and St. Andrews would be continued, as internships did not cost the City.

Councilmember Rainer expressed concern about paying college graduates just \$25,000.00. He also stated that he wanted to hire three (3) Management Trainees.

Further discussion ensued concerning the Management Trainees. Mayor Parker suggested that the discussion on the budget continue and this item be discussed in detail at a later date.

Councilmember Leak expressed concern about the Travel and Schools line item in each department, including the Governing Body. He instructed staff to eliminate the Black Caucus, Electricities Conference and trip to Washington for Marlowe & Company from the Governing Body budget, and for each department to review the Travel and Schools line item.

Mayor Parker suggested that this item be considered in more detail at another meeting.

Mrs. Carpenter discussed the **Human Resources and Risk Management** budget as follows:

- Budgeted approximately \$6,000.00 for Travel and Schools
- Purchase NEOGov performance measurement system for \$3,900.00

Councilmember Rainer requested copies different screens of the NEOGov system.

Upon question by Councilmember Rainer, the City Manager explained that the Human Resources/Risk Management Director had made plans and purchased tickets for an anniversary trip approximately four (4) months ago.

Councilmember Rainer then requested that the Human Resources/Risk Management Director present his budget at the next meeting on Thursday, May 31, 2012.

Mrs. Carpenter discussed the following in the **Finance Administration** budget:

- Only capital item is to replace two-way radio
- Includes \$3,000.00 for Travel and Schools
- Includes Space Needs Study for City Hall

Upon question by Councilmember Leak, Mrs. Carpenter explained that the Space Needs Study is to include the Sanford Building to determine if it can be utilized, and if so, the best possible use of the building.

Mrs. Carpenter discussed the following in the **Accounting** budget:

- Includes 2 employees, a Senior Accounting Tech and an Accounting Tech
- Only capital request is shelving for storage room
- Includes \$500.00 for overtime

Mrs. Carpenter discussed the following in the **Taxation** budget:

- Operating expenses have gone up 168% due to the County tax foreclosures

A discussion ensued concerning the tax foreclosure process.

A discussion ensued concerning the salary of the tax collector position. The City Manager explained that the current Personnel Policy states that once an employee completes the six (6) month probationary period, the employee will be moved up to Step 3. He added that the probationary period for police officers is one (1) year.

Mr. Harold Haywood discussed the following in the **Building Maintenance** budget:

- Includes maintenance for the Barrett Building, City Hall and Emma Ruth McLean Memorial Library
- Barrett Building exterior repair almost completed. Will complete interior repair and porch tile work in FY 2012-2013.

- \$5,000.00 to replace heat pump at Barrett Building. All four (4) heat pumps are aging and will replacement of all will be in phases.

Upon question by Councilmember Spencer, Mrs. Carpenter stated that the overtime was the same as budgeted the previous year.

Councilmember Spencer and Councilmember Rainer both expressed concern that differentiation between actual salary and overtime throughout the budget would be helpful.

Councilmember Adams requested a break out of overtime in all departments.

Mrs. Carpenter explained that Mrs. Deese's salary was moved from Planning and Zoning to Community Development which reduced the salary line item in Planning and Zoning.

Mrs. Deese discussed the following in **Community Development** budget:

- Added \$500.00 in contracted services for appraisals for sale of former CDBG lots
- Decreased Dues and Subscriptions line item

A discussion ensued concerning the Community Development Director position and other positions in the department. Mayor Parker suggested this item be discussed at a different time as it did not have budget implications.

Mrs. Deese discussed the following in the **Planning and Zoning** budget:

- Included money for uniforms for Code Enforcement Officer
- Increased postage because of more proactive response on substandard housing

Mr. Tim Pierce discussed the following in the GIS budget:

- Need to purchase new computer at a cost of approximately \$2,500.00
- Old computer will be utilized by the Planning Department

A brief discussion ensued concerning the GIS Agreement with the County and the need to review and update the agreement.

At 6:32 p.m., Mayor Parker recessed the meeting for a break.

The meeting resumed at 6:45 p.m.

Mrs. Deese discussed the following in the **Grounds Maintenance** budget:

- Contracting to deal with aging and dangerous trees
- Increased Materials and Supplies line item to purchase commercial instead of residential supplies and pruning pole

- \$2,500.00 for unanticipated projects

Upon question by Councilmember Williamson, Mrs. Deese explained that the grant, if approved, will allow an inventory of trees and development of a plan to replace as needed.

Mrs. Deese discussed the following in the **Cemetery** budget:

- Increased Materials and Supplies to use topsoil instead of clay and sand to put back on newly dug graves
- Included funds for removing dead trees and making other improvements
- \$12,000.00 from the Cemetery Perpetual Care Fund will be utilized for improvements

A discussion ensued concerning the utilization of inmates by several departments and the possibility of being hired by the City. Upon question by Mayor Parker, the City Manager explained that the City could not hire a convicted felon.

Chief Evans discussed the following in the **Police** budget:

- Increase in Telephone/Internet line item due to use of air cards for computers in cars
- Need five (5) vehicles

A discussion ensued concerning the type of vehicles used and the life expectancy of police cars.

Upon question by Councilmember Williamson, Chief Evans explained that the vehicles surplus will be sold by the League of Municipalities.

Upon question by Mayor Parker, Chief Evans explained the following reasons why he does not consider purchasing a Honda:

- Honda does not make a police package
- front-wheel drive is not acceptable for police use
- equipment such as cages is not interchangeable
- inadequate space for a laptop
- State contract for Dodges is cheaper than what a Honda could be purchased for

Chief Evans explained that the **Fire Department** needs the following equipment: fire hose, thermal imaging camera, and hose washer and dryer.

Chief Evans explained that the biggest expense last year in the **Animal Control** budget was Travel and Schools to get the Animal Control Officer certified.

Upon question by Councilmember Spencer, Chief Evans explained that the Animal Control Officer gets called in on the weekend

Mrs. Carpenter explained that the **Rescue Squad** is funded equally by the City and the County.

Mr. Haywood discussed the following in the **Public Works Administration** budget:

- Part of his salary shifted from Garage to Public Works Administration
- Two-way radio upgrade required by Federal Communication Commission (FCC)
- Upgrade to Work Order Program

Mr. McQuage discussed the following in the **Streets and Highways** budget:

- Increased utilities to account for new lights on Lauchwood Drive and Highway 74 interchanges
- Increased asphalt costs and included \$100,000.00 for resurfacing
- New mower for right-of-way mowing
- Work on Commonwealth Bridge to begin next year

The City Manager explained that the pole inventory revealed that there were a number of street lights that were not being paid for by the General Fund; therefore utility costs were increased to account for those as well as some new street lights.

Further discussion ensued concerning the additional lighting costs along Lauchwood Drive and the main thoroughfares.

The City Manager explained that the expenditures for 2011-2012 and for 2012-2013 would be looked at again by staff.

Upon question by Councilmember Adams, Mr. Ronald Pierce explained that \$30,000.00 is included in the 2012-2013 budget to continue build out of thoroughfares and the pilot lighting section. He added that \$60,000.00 is included in the budget for lights on Main Street from Tucker Street down to Lauchwood Drive.

Upon question by Councilmember Leak, Mr. Ronald Pierce explained that the wattage of lights has been increased in some neighborhoods. He added that once the City can obtain three (3) to four (4) year warranties on LED lighting, the City will switch out to LED lighting.

Upon question by Councilmember Leak, Mr. McQuage explained that the Mosquito Program includes spraying prior to special events and putting out larvacide. He added that the County gave the City \$2,000 to purchase larvacide doughnuts and barrier products.

Mr. McQuage explained the following in the **Storm Drainage** budget:

- Included ditch crew
- Cost of two-way radio system upgrade

Upon question by Mayor Parker, Mr. Haywood explained that if the County will not be participating in the **Fueling Facility**, the City would have to pick up the total cost of operating the Fueling Facility, or \$21,000.00. He added that the County reimburses the City for one-half the operating costs of the Fueling Facility.

A discussion ensued concerning the cost of fuel.

Mr. McQuage discussed the following in the **Garage** budget:

- Increased Travel & Schools for two (2) new employees to obtain inspectors certificates and for mechanics classes
- Replacement of forklift

The City Manager discussed the following in the **Non-Departmental** budget:

- Included \$12,500.00 for the Chamber
- Included \$32,000.00 for Economic Development
- The Humane Society requested \$95,000.00 and was funded at \$80,000.00 last year

Upon question by Councilmember Rainer, the City Manager explained that the additional information requested from the Laurinburg-Maxton Airport was presented to Council in one of his Weekly Updates; however, he had not received the requested information from the Humane Society.

The City Manager continued discussing the **Non-Department** budget:

- Included funding in Beautification to build brick columns for the “Welcome to Laurinburg” signs. Will submit designs for Council’s consideration

Upon question by Councilmember Spencer, Mrs. Carpenter explained that the Concession and Rentals line item includes drinks and snacks for the Fire Department and Public Works. She added that there is a line item in Revenues for the General Fund to offset this expenditure.

Upon question by Councilmember Adams, Mrs. Carpenter explained that the Public Relations line item includes the Fourth of July Fireworks, quarterly newsletters and any necessary advertising.

Upon question by Councilmember Rainer, the City Manager explained that the Downtown Improvements line item is the money received from the Special Tax District. He added that the City matches that amount.

Upon question by Councilmember Leak, the City Manager explained that \$15,000.00 was included for other beautification projects such as improving the parking lot behind the old Habitat store and possibly paving the City's portion of the A.B. Gibson parking lot. He added that he was talking with the school system about paving its side of the lot also.

Mayor Parker explained that he had requested the City Manager add \$15,000.00 discretionary money into the budget for minor items that come up, such as repair of a sidewalk downtown. He added that Council would discuss this item further Thursday night (May 31, 2012).

Upon question by Councilmember Leak, the City Manager explained that the City had not been invoice for the Recreation Study.

The City Manager stated that the Contingency line item includes money for Council to consider pay increases for the employees.

ELECTRIC FUND

The City Manager explained that the City is still negotiating the Pole Agreements with AT&T and Time Warner.

A discussion ensued concerning collection of the pole attachment fees. The City Manager explained that Time Warner owes the City \$300,000.00 going back to 2007. He explained that if unpaid, the City could take them to court for collection.

The City Manager explained that the fiber lease with LMK is being negotiated.

Councilmember Rainer expressed concern that the internet cafes are properly accounting for.

Mrs. Carpenter explained that the previous Tax Collector accounted for the internet cafés' equipment. She added that since the City does not have a Tax Collector, the Police Department is currently working on this matter.

Mr. Haywood discussed the following in the **Building Maintenance** budget:

- The costs are split between the Electric Fund and the Water/Sewer Fund
- Includes renovation of the break room and conference room at Public Works
- Replace floor buffer, ice machine and heat pump

Mrs. Carpenter discussed the following in the **Non-Departmental** budget:

- Includes funding for Laserfiche maintenance and scanning
- First payment for the Automatic Meter Reading System
- Includes one-fourth (1/4) cost of the work order system

Mr. Ronald Pierce explained that the Rate Study will be conducted to help minimize the anticipated electric rate increases.

The City Manager explained that the City is anticipating beginning in 2015 four (4) 2.5% electric rate increases from the North Carolina Eastern Municipal Power Agency (NCEMPA). He explained that the study would look at strategies for dealing with demand charges.

A discussion ensued concerning the need to hire a consultant. The City Manager explained that the City staff does not have the expertise to conduct such a rate study.

Upon question by Councilmember Williamson, the City Manager explained that the electric margin is very small. He further explained that over the last few years the City absorbed other rate increases to minimize the impact to the public. He further added that in the proposed budget the transfer to the General Fund was decreased dramatically.

Mrs. Carpenter discussed the following in the **Customer Billing and Receiving** budget:

- Costs are divided between the Electric Fund and the Water/Sewer Fund
- Need to purchase new computer and the two-way radio system upgrade

A discussion ensued concerning the two-way radio system.

The City Manager explained that NCEMPA provides the City with an estimate of electric purchases for the City for the next year.

Mr. Ronald Pierce discussed the following in the **Electric Operations** budget:

- Increased Travel & Schools line item to continue lineman career development
- Contracted Services includes \$60,000.00 for tree trimming, \$40,000.00 for substation maintenance and \$20,000.00 for meter testing
- Need to replace 1996 pickup truck
- Change vendor for the SCADA system
- Base amount requested in New Construction line item is \$450,000.00. Will carry over \$66,612.00 from 2011-2012 for breakers that will not be delivered until July 27, 2012, and include \$255,000.00 for interchange lighting

The City Manager discussed the following in the IT/Fiber budget:

- Recommending contract with NWN to work on IT system, circuits and infrastructure. Will include help desk to assist with hardware and software problems.
- Includes Five Year Technology Improvement Plan

A discussion ensued concerning the need to contract out this service. The City Manager explained that the City's IT system had been built piecemeal, resulting in many problems.

The City Manager explained that by contracting out IT, the City would be saving \$60,000.00 to \$80,000.00 per year.

Upon question by Councilmember Spencer, Mr. Ronald Pierce explained that the \$40,000.00 budgeted for a business plan is to investigate a possible relationship with MCNC and cell phone providers to maximize use of the City's fiber.

Further discussion ensued concerning maximizing the City's fiber system.

Councilmember Spencer expressed concern about utilizing the same engineer to develop the business plan for the City's fiber that is conducting the Rate Study. The City Manager explained that the City could obtain quotes from other engineers.

The City Manager explained that the **Electric Fund Contingency** budget included funds for employee pay increases.

WATER/SEWER FUND

The City Manager explained that the new Automatic Meter Reading System would kick off July 1st. He added that all residential meters are in place. He further added that there are 50 to 100 large meters still need to be installed. He explained that the largest return on investment from the new system would be on the water/sewer side of the utilities. He further explained that water/sewer revenues will probably increase in 2012-2013; however, staff wanted to be cautious in projecting the increased revenue. He added that some money was carried forward for capital improvement projects in the Water/Wastewater Treatment area to conduct ground water and other testing.

Mrs. Carpenter explained that in the Water/Sewer **Non-Departmental** expenditures include the first payment for the Automatic Meter Reading System.

Mr. Ellis discussed the following in the **Water Production** budget:

- Engineers are conducting hydraulic analysis on raw water system
- Redrilling new well on Well #7 Site
- Contract to paint water tank awarded, painting to begin on June 11th, budgeted amount to be carried over to FY 2012-2013
- Cleaning and inspecting clear well on McGirts Bridge Road

Upon question by Councilmember Spencer, Mr. Ellis explained that Willis Engineering is conducting the Laurinburg-Maxton Airport Commission (LMAC) consolidation study.

The City Manager added that the study is expected to be completed in August.

Mr. McQuage explained that a new truck and a valve insertion tool are including in the **Water Distribution** budget.

Mr. McQuage explained that a new truck is included in the **Cross Connection** budget.

Mr. McQuage explained the following in the **Sewage Collection** budget:

- Includes sewer permit fees
- Includes \$30,000.00 for construction and sewer rehab work that can be done in-house
- Staff attempting to obtain grant for the Leith Creek Outfall to replace more of that line
- Reduced number of employees by two (2) due to lack of construction

Mr. Ellis discussed the following in the **Wastewater Treatment** budget:

- Moved land application from “Other Improvements” line item to “Contracted Services” line item
- Lost land application sites at LMAC. Director is talking with the Gryphon Group to pay for permitting to recoup number of acres lost
- Trying to add older lift stations to the SCADA System to reduce overtime on weekends
- Included \$30,000.00 for pump station upgrade
- Environment at Sewer Plant is harsh – need to keep equipment painted and maintained.
- Repair cameras at Sewer Plant for security reasons
- \$25,000.00 included for potential problems with aeration basin
- Researching eliminating phone lines through radio-controlled monitoring
- Conducting flow monitoring on Bridge Creek interceptor for possibly taking the Big Branch interceptor and divert from the Bridge Creek pump station by installing new pump station to handle future expansion on the Eastover property
- Included \$44,000.00 to purchase property for the pump station
- Replace support brackets for the panel boxes with stainless steel brackets
- Still researching finding tankers to haul sludge so that the City can do its own land application at LMAC
- Includes \$45,000.00 for pump inventory for pump stations in event of equipment failure
- Need to look at design for sewer plant lab because running out of room

Mrs. Carpenter explained that there was a typo in the Maintenance and Repair Equipment line item and the total should be \$100,000.00 and not \$10,000.00.

A discussion ensued concerning swapping equipment with LMAC. Mr. Ellis explained that the City uses different pumps than LMAC.

The City Manager explained that the **Water/Sewer Fund Contingency** budget included funds for employee pay increases.

SOLID WASTE FUND

The City Manager explained that the budget includes transferring \$474,746.00 to the General Fund to for funds loaned to the Solid Waste Fund from the General Fund for the roll-out carts.

Mr. Haywood discussed the following in the **Sanitation** budget:

- Eliminated one (1) position through attrition due to automation
- Increased “Maintenance and Supplies” line item due to fuel increases
- Included 5% increase for Tipping Fees based on information from the County Manager

The City Manager explained that there has been a significant increase in recyclables which has diverted tons from the landfill.

Upon question by Councilmember Spencer, Mr. Haywood explained that approximately 70% of residential customers participate in the recycling program.

Mr. Haywood explained that a grant in the amount of \$8,000.00 will be used to put a Radio Frequency Identification (RFID) reader in the recycling truck to read electronic tags located on the handle of the recycling carts. He added that this will allow the City to target with education those areas that are not participating in the recycling program. He further added that the City must match \$2,000.00 for the grant.

The City Manager explained that this completes review of the proposed FY 2012-2013 budget. He requested that if Council had any questions to submit them for discussion at the retreat on Thursday, May 31, 2012.

Councilmember Williamson and Mayor Parker thanked the City Manager and staff for the hard work in completing the budget.

RECESS

Motion was made by Councilmember Rainer, seconded by Councilmember Adams, and unanimously carried to recess the meeting to Thursday, May 31, 2012 at 5:30 p.m. in the council room of the Municipal Building located at 303 West Church Street.

The meeting recessed at 9:01 p.m.

Thomas W. Parker, III, Mayor

Jennifer A. Tippett, City Clerk