

**CITY OF LAURINBURG
SPECIAL COUNCIL MEETING
JUNE 30, 2016
MUNICIPAL BUILDING
303 WEST CHURCH ST.
5:30 p.m.**

MINUTES

The City Council of the City of Laurinburg held a special meeting on June 30, 2016 at 5:30 p.m. in the council chambers of the Municipal Building located at 303 West Church Street, with the Honorable Mary Jo Adams, Mayor Pro Tempore, presiding. The following Councilmembers were present: Dolores A. Hammond, Curtis B. Leak, Andrew G. Williamson, Jr. and J.D. Willis. Mayor Matthew Block, MD, arrived at 5:45 p.m.

Also present were: Charles D. Nichols III, City Manager, and Jennifer A. Tippet, City Clerk.

Pro Tempore Adams called the special meeting of the Laurinburg City Council to order at 5:30 p.m.

Councilmember Williamson requested a moment of silence.

APPROVAL OF AGENDA

Motion was made by Councilmember Hammond, seconded by Councilmember Leak, and unanimously carried to approve the agenda as presented.

PRESENTATION BY CREECH & ASSOCIATES AND EDIFICE, INC. – POSSIBLE DESIGN OPTION FOR THE PROPOSED NEW CITY HALL AND OVERVIEW OF POTENTIAL COSTS BASED UPON DESIGN OPTIONS

Mr. Brent Green of Creech & Associates and Mr. Mike Carlisto of Edifice, Inc. presented a PowerPoint on the proposed new City Hall and Police Station. Highlights of the presentation are as follows:

- Design goals included:
 - Preserve the mature trees along West Church St.
 - Preserve 50-foot buffer from West Church St.
 - Create customer-friendly drive-thru that removes traffic from West Church St.
 - Create customer-friendly area with waiting area inside the building
 - Create safe separation between staff and public from Police secure functions (detainee transfer)
- The existing Municipal Building would remain in operation during construction of the new facility to allow for minimum interruption in services, and only personnel in the Barrett Building would have to be relocated.
- Floor plans developed after space needs review and verification of space needs done by another group, and through that process, we came up with plan that allowed for police department to occupy majority of downstairs with customer service functions also. Police department consumes most of the lower floor.
- Second floor contains chamber, along with balance of the city hall offices.

- Total of about 23,500 square feet as initial design concept.

Mr. Green explained that three (3) façade elevation packages had been presented to Council, and once Council decided on the façade design, Edifice, Inc. was brought on board to provide an estimated cost.

Mr. Mike Carlisto of Edifice, Inc. explained that a price was developed based upon the design chosen by Council with 23,500 heat square feet and the schematic documents presented by Creech & Associates. He discussed the following:

- Prepared detailed estimate that includes all costs of the project including demolition of existing buildings, all of the trades, and all materials. Estimated cost is \$8.3 million for construction.
- Soft costs which include design fees, furniture, audio-visual and other like items, are generally 30% of the construction costs. With the soft costs added, the total is \$10,816,752.00.

Mr. Green explained that in order to reduce costs, Creech & Associates looked at reducing floor plan by removing the wings from both sides of the building which resulted in reducing the square footage by 1825 square feet. This resulted in moving a couple of offices from the downstairs to upstairs to achieve smaller footprint. Once the smaller footprint was developed, it was sent to Edifice, Inc. for cost estimate.

Mr. Carlisto explained that with a floor plan of 21,675 square feet the construction cost would be reduced by approximately \$450,000.00 to \$7,870,334.00, and with the soft costs added, the total would be \$10,231,435.00. He added that other options for reducing the cost include different veneer of the building, using open office instead of closed office space, and different roof structures.

Mr. Green explained that by reducing the square footage by approximately 1800 square feet, the construction cost was reduced by approximately \$450,000.00. He explained that there are other alternatives to reducing costs than those mentioned by Mr. Carlisto. He added that Creech & Associates and Edifice, Inc. were happy to look at ways to reduce the costs. He further added that beyond making the building smaller or changing quality elements of the building, direction from Council was needed to move forward.

Discussion ensued concerning the current space at City Hall and the Barrett Building of 15,000 square feet and the projected need of 23,500 square feet. Mr. Green explained that when he and his staff were verifying the Space Needs Analysis completed in 2013, they met with City staff and discussed needs and verified that projections from the previous study were correct as well as toured the buildings. He added that growth space was included.

Upon question by the City Manager, Mr. Green explained that having a building under 20,000 square feet would be beneficial with the Department of Insurance review relative to the time for reviewing the drawings, having the project bid quicker and hopefully getting better pricing, but other than reducing the size and reducing the square footage, not too much more cost benefit.

Upon question by Councilmember Adams, the City Manager explained that staff has not looked at reducing the size of the proposed City Hall and Police Station. He added that the project was at the point where staff and Creech & Associates needed direction from Council whether to look at different options.

Mr. Green explained that Creech & Associates had completed the design phase of its contract. He added that now was the appropriate time to ask about the scope of the budget for the project.

Upon question by Councilmember Hammond, Mr. Harold Haywood, General Services Director, explained that the Oakley Collier Space Needs Analysis did not include space for growth, but was based upon the space needs when it was conducted.

At the request of Councilmember Leak, Mr. Green showed the proposed site plan for the new City Hall and Police Station. He explained that if Council goes forward with construction, the existing Municipal Building would remain in place thereby not affecting the operations of departments in that building.

The City Manager explained that once Council determines the dollar amount it will approve, then he and the Finance Director would research financing so that it does not affect taxes. He added that Davenport & Lawrence would assist on that process.

Upon question by Councilmember Williamson, Mr. Green explained that in a previous meeting, the limitations and shortcomings of renovating the existing Municipal Building had been discussed. He added that it was determined that it would be more expensive to renovate than to build a new building. He discussed the very low ceiling to floor height between the first floor and the second floor, the difficulty in added needed infrastructure such as a sprinkler system, the structural reinforcement to bring the building up to Seismic Code, State Code requirements for bathrooms, the Energy Code, the fact that the walls would have to be exposed to the studs and redone.

Upon question by Mayor Block, Mr. Green explained that an engineer had not been brought on to determine if the Municipal Building was structurally sound.

Mayor Block expressed his opinion that there is underused space and there is not a need for additional space as City staff has not grown. He added that he felt the Municipal Building could be reorganized and repainted, and the council meetings could be held at another location to free up space for offices, move police evidence off-site, have the building power washed, add nice landscaping, and replace ceiling tiles for a couple of hundred thousand dollars.

Mr. Green explained that there is a threshold of costs before you must bring the entire building up to State Building Code, which would add much more than a couple of hundred thousand dollars. He further explained that he was not familiar with the dollar threshold. He added that he and staff walked through the buildings and feel that there is inadequate space. He further added that off-site storage adds costs. He added that Creech & Associates and Edifice would look into the costs of doing what the Mayor discussed, if asked to do so.

Mayor Block asked if Council would be open to looking at underutilized space in the existing building and determine exactly what the space needs are.

Councilmember Leak explained that he had been on council for many years and that 15 years ago council had identified a need to build a city hall because the Municipal Building was getting old and obsolete. He discussed that police evidence was moved to the Sanford Building, but before that could be accomplished, approximately \$100,000.00 had to be spent on that building so that the evidence could be stored in it. He discussed the maintenance issues with the Barrett Building. He further explained that due to the economic situation and the debt level of the City, consideration of a

new building had been put on hold. He added that he felt it was time for council to think about the future and bring all of the organization within one (1) building.

Councilmember Willis explained that in order for the Oakley Collier Space Needs Analysis to be approved, at some point council must have thought there was a space needs issue otherwise the analysis would not have been conducted several years ago. He added that two (2) professional groups have said that additional space was needed – one said 22,000 square feet was needed and the other said 23,500 square feet was needed.

Councilmember Hammond explained that the Barrett Building was purchased by the City for space needs and that in 1999, council renovated the council chambers and installed the recording system. She added that unfortunately technology was not considered during the renovation as there are only two (2) electrical outlets in the council chambers. She added that in 2001 Council discussed additional renovations and building a new City Hall, and that a new City Hall was included in former City Manager Honeycutt's Five Year Plan. She explained that she felt that Council needed to think about current, future and past needs. She explained that Council should look at ways to reduce the costs, look at a way to just finance the construction costs and find other ways to pay for the soft costs.

Upon question by Councilmember Hammond, Mr. Green explained that furniture for all spaces was included in the soft costs. He added that also included were audio equipment for the council chambers, security system, fire suppression system, fees for permits and taps, and some contingency for design.

Mayor Block explained that he was confused about the Space Needs Study because the City Manager had said to him when he was running for Mayor, that the newspaper was reporting it wrong and there was not a need for more space, and that it was a safety issue.

The City Manager stated that he did not recall saying that there was not a space needs issue, but that he said there were multiple issues and his number one concern has always been the safety of employees.

Councilmember Williamson explained that when he and Councilmember Adams first came on Council, Mr. Burchins, former City Manager, took them on a tour and told them that a Space Needs Study was being conducted. He added that Mr. Burchins showed them the problems, particularly downstairs in the Municipal Building. He further added that a few months later, Oakley Collier presented its Space Needs Analysis, so he is confused as to why there is confusion about the need for space. He further explained that that if there is a space needs, and he believes there is a need, then Council can do nothing or be proactive.

Councilmember Willis discussed the Oakley Collier study that said that 22,000 square feet was needed, and the verification of that study done by Creech & Associates that said 23,500 square feet was needed. He explained that the City's debt has gone down and interest rates are very low; therefore, now might be the time to build a city hall. He suggested that the City Manager and Finance Director determine how much the City could borrow without raising taxes and utilities.

The City Manager explained that the Local Government Commission (LGC) has to approve how financing is allocated. He added that generally, it is done by square footage allocated to the different funds. He further added that space utilized by departments in the General Fund has to be paid for by the General Fund. He added that the Customer Services comes out of the Water/Sewer Fund and the Electric Fund.

Further discussion ensued concerning the oversight of the LGC on financial matters.

Mayor Block explained that the money has to come from either taxes or the Enterprise Funds to pay for the building. He added that if the city hall is not built, then citizens' utility bills could be lowered. He further added that the General Fund does not have a lot of extra money in it, and with most of the activities in city hall come out of the General Fund, the City would have a hard time convincing the LGC that two-thirds (2/3rds) of the financing must come from the Enterprise Funds when three-fourths (3/4ths) of the building activities would be General Fund.

Further discussion ensued the use financing allocation for the city hall and the reduction in the City's debt. The City Manager explained that he and the Finance Director had a pre-meeting with the LGC concerning this potential project. He added that the appeal to the LGC was that the majority of the project would be financed from the General Fund and not the Enterprise Funds. He further added that the positive state of the General Fund was looked upon favorably by the LGC. He further explained that when a financing application is submitted to the LGC, it must be proven to the LGC how it will be paid for. He added that the majority of the proposed city hall is primarily General Fund services, so it would have to be primarily paid for out of the General Fund.

Councilmember Willis suggested that determining the dollar amount that could be financed without raising taxes is what needs to be determined if Council decides to move forward with this project.

Mayor Block explained that he believed that anyone from the outside would call into question the objectivity of having two (2) architectural firms look into the space needs because they stand to make hundreds of thousands of dollars on new construction. He added that staff always wants more space. He further added that the space needs studies are highly questionable objectivity. He added that he believed that staff is not growing and with technology, less space is needed.

Councilmember Leak explained that years ago a need for space was identified and drawings for a police station to be located in the park behind the Municipal Building were prepared. He discussed the reduction in the City's indebtedness.

Councilmember Hammond discussed the need for many records in the City Clerk's office to be kept indefinitely and the need for a records room for the City Clerk as well as for Human Resources. She explained that the records rooms needed to be accessible to the City Clerk's office and to the Human Resources office to allow ease of access for employees as well as for citizens.

Councilmember Williamson explained that he did not know how much space was necessary and that is why he needs to rely on studies and staff.

Councilmember Hammond discussed the following:

- Making the cupola smaller.
- If the fitness room is expensive, perhaps the City could pay for the police officers to go to a fitness center or somewhere else to exercise.

Discussion ensued concerning determining the maximum debt capacity and other capital needs of the City. Councilmember Willis explained that if the maximum debt capacity is known, then Council can prioritize the needs.

Mayor Block began presiding over the meeting at 6:43 p.m.

Motion was made by Councilmember Willis to authorize the City Manager and Finance Director to contact the Local Government Commission to determine the maximum amount that the City can borrow, and for the City Manager and Finance Director to bring proposals or different scenarios to Council to move forward with the capital needs without raising taxes. The motion was seconded by Councilmember Adams.

Councilmember Leak requested a roll call vote, and the vote was as follows:

Ayes: Willis, Adams, Hammond, Leak, Williamson
 Nays: None

DISCUSSION AND DIRECTION CONCERNING SOLID WASTE DISPOSAL

Mr. Harold Haywood, General Services Director, discussed the following information:

Estimated Average Annual Tipping Fees (Scotland County Disposal) @ \$55.75 per ton for MSW and \$31.50 for Yard Waste

<u>Waste Type</u>	<u>Tons</u>	<u>Tipping Fee</u>	<u>Cost</u>
Residential MSW	4800	\$55.75	\$267,600.00
Commercial MSW	5400	\$55.75	\$301,050.00
Yard Waste	2600	\$31.50	\$81,900.00
Total			\$650,550.00

Estimated Impact on Tipping Fees (Proposal to Scotland County per Council Direction) Proposal to increase Availability Fee to City residents from \$55.00 to \$85.00 and not charge the City Tipping Fee for Residential MSW

<u>Waste Type</u>	<u>Tons</u>	<u>Tipping Fee</u>	<u>Cost</u>
Residential MSW	4800	\$0.00	\$0.00
Commercial MSW	5400	\$55.75	\$301,050.00
Yard Waste	2600	\$31.50	\$81,900.00
Reduction of City SW Fee of \$2.50/mo			\$145,562.00
Total			\$528,512.00 <u>\$122,038.00</u>

Mr. Haywood discussed the pros and cons as follows:

- Pros:
 - Convenience to City operations, less effect on opportunity costs (i.e. travel time to Robeson County takes away from other duties)
 - City residents pay less on monthly bill to compensate for increased Availability Fee from County
 - Savings generated for future capital needs and opportunity to evaluate commercial rates
- Cons:
 - Provides City residents less incentive to recycle to reduce volume

- Responsibility for waste disposal shifted from users to property owners

Mr. Haywood explained that Scotland County offered a counter-proposal whereby the Tipping Fees would not be eliminated but would give the City a Landfill Credit in the amount of \$194,826.00 based upon revenue the County projected from increasing the Availability Fee to City property owners. The City would reduce the Residential MSW fee by \$2.50 per month, and the projections for this proposal is as follows:

Estimated Impact on Tipping Fees (Counter-Proposal from Scotland County)

<u>Waste Type</u>	<u>Tons</u>	<u>Tipping Fee</u>	<u>Cost</u>
Residential MSW	4800	\$55.75	\$267,600.00
Landfill Credit			\$194,826.00
Commercial MSW	5400	\$55.75	\$301,050.00
Yard Waste	2600	\$31.50	\$81,900.00
Reduction of City SW Fee of \$2.50/mo			\$145,562.00
Total			\$601,286.00
			<u>\$49,264.00</u>

Availability Fee= Increased on Scotland County property tax bill from \$55 to \$85
 Mr. Haywood discussed the pros and cons of this proposal:

- Pros
 - Provides city residents more incentive to recycle to reduce volume
 - Fluctuating years where volume decreases, we still get full credit but pay less tipping fee
 - Convenience to city operations, less effect on opportunity costs (i.e. travel time to Robeson County takes away from other duties)
 - City residents pay less on monthly bill to compensate for increased availability fee from county
 - Savings generated for future capital needs
- Cons
 - Fluctuating years where volume increases, City would only get flat credit and pay more tipping fee
 - Responsibility for waste disposal shifted to property owners up to credit threshold amount

Mr. Haywood explained that staff also researched the possibility of the City contracting with Robeson County Landfill and taking Residential and Commercial MSW to Robeson County with a Tipping Fee of \$38.50 per ton. He discussed the information below:

Estimated Average Annual Tipping Fees (Robeson County Disposal)

<u>Waste Type</u>	<u>Tons</u>	<u>Tipping Fee</u>	<u>Cost</u>
Residential MSW	4800	\$38.50	\$184,800.00

Commercial MSW	5400	\$38.50	\$207,900.00	
Yard Waste	2600	\$24.50	\$63,700.00	
Subtotal			\$456,400.00	
Increase in Fuel/Maintenance			\$56,530.00	
Total			\$512,930.00	<u>\$137,620.00</u>

Mr. Haywood discussed the pros and cons:

- Pros
 - Provides City residents some incentive to recycle to reduce volume
 - Savings generated for future capital needs to minimize future fee increases
 - No increase in County Availability Fee
- Cons
 - Negative affect on opportunity costs (i.e. travel time to Robeson County takes away from other duties)
 - Potential negative affect on county employment (reduction in force at County landfill?)
 - Long term negative affect on equipment replacement and life cycle costs (unknown cost)
 - Negative affect on yard waste collection as those trucks take multiple trips per day for disposal

Mr. Haywood then discussed a proposal on contracting with Robeson County for MSW and exploring different options for yard waste including in-house yard waste operation. He reviewed the following:

Estimated Average Annual Tipping Fees (Robeson County Disposal-w/out Yard Waste)

<u>Waste Type</u>	<u>Tons</u>	<u>Tipping Fee</u>	<u>Cost</u>	
Residential MSW	4800	\$38.50	\$184,800.00	
Commercial MSW	5400	\$38.50	\$207,900.00	
Yard Waste	2600	\$0.00	\$0.00	
Subtotal			\$392,700.00	
Increase in Fuel/Maintenance			\$37,000.00	
Total			\$429,700.00	<u>\$220,850.00</u>

Mr. Haywood reviewed the pros and cons:

- Pros
 - Provides city residents some incentive to recycle to reduce volume
 - Savings generated for future capital needs to minimize future fee increases
 - Lower fuel/maintenance/tipping fee costs
- Cons
 - Negative affect on opportunity costs (i.e. travel time to Robeson County takes away from other duties)
 - Potential negative affect on county employment (reduction in force at county landfill?)
 - Long term negative affect on equipment replacement and life cycle costs (unknown cost)
 - Unknown costs of in-house yard waste operation

The City Manager explained that staff needed direction from Council on bringing proposal to Council at the July 19, 2016 meeting to begin discussions with Robeson County on contracting to haul MSW to the Robeson County Landfill and to move forward with an in-house yard waste landfill of two (2) acres or less. He added that staff also needed direction on whether to continue taking MSW to the Scotland County Landfill paying \$55.75 per ton or take MSW to the Robeson County landfill paying \$38.50 per ton until after the July 19, 2016 meeting.

Discussion ensued concerning the effort made to partner with Scotland County, the savings that could be realized by the City by partnering with Robeson County and the effort needed to develop an in-house yard waste site.

Following further discussion, motion was made by Councilmember Willis, seconded by Councilmember Leak, and unanimously carried to authorize the City Manager and Mr. Haywood to negotiate with Robeson County on contracting with it for the City's Municipal Solid Waste and for staff to continue taking Municipal Solid Waste to the Scotland County Landfill until at least July 19, 2016 and to explore yard waste options and report back to Council on July 19, 2016.

ADJOURNMENT

Motion was made by Councilmember Williamson, seconded by Councilmember Willis, and unanimously carried to adjourn the meeting.

The meeting adjourned at 7:14 p.m.

Matthew Block, MD, Mayor

Jennifer A. Tippet, City Clerk