

**CITY OF LAURINBURG
CITY COUNCIL MEETING
SEPTEMBER 19, 2017
MUNICIPAL BUILDING
303 WEST CHURCH ST.
7:00 p.m.**

Minutes

The City Council of the City of Laurinburg held its regular meeting on Tuesday, September 19, 2017 in the Council Chambers of the Municipal Building at 7:00 p.m. with the Honorable Matthew Block, Mayor, presiding. The following Councilmembers were present: Mary Jo Adams, Dolores A. Hammond, Curtis B. Leak, Andrew G. Williamson, Jr. and J.D. Willis.

Also present were Charles D. Nichols III, City Manager; Jennifer A. Tippet, City Clerk; and William P. Floyd, Jr., City Attorney.

Mayor Block called the meeting to order at 7:00 p.m.

Councilmember Hammond gave the Invocation and then led the Pledge of Allegiance.

APPROVAL OF AGENDA

The City Manager explained that the Recognition of Retiree be delayed until the former Assistant Police Chief arrive, as Mr. Sessoms was at his son's football game.

Motion was made by Councilmember Leak, seconded by Councilmember Willis, and unanimously carried to approve the agenda and recognize the former Assistant Police Chief when he arrived.

PUBLIC COMMENT PERIOD

Mayor Block reviewed procedures and decorum for the Public Comment Period.

Mr. David Norris, McKinnon Drive, explained that he was presenting a petition to Council for a reduction in water rates. He then read the petition, a copy of which is attached as "Attachment A" and incorporated in these minutes.

Upon question by Mayor Block, Mr. Norris replied that there were a little over 206 names on the petition.

There was no one else present to speak during the Public Comment Period.

Mayor Block inquired as to how Council wanted to respond to Mr. Norris' petition.

Councilmember Leak suggested that the City Attorney review the petition.

Mayor Block asked if Council wanted to add this matter to the agenda the next month to address why or why not the City could reduce water rates.

Councilmember Adams explained that she had not seen the petition, and therefore she was in favor of letting the City Manager and staff make recommendations.

Councilmember Willis suggested that the engineering consultant and staff review the water rates and provide a recommendation in the future. He added that the rates were increased in 2015 on the recommendation of the engineering firm.

Councilmember Hammond inquired about the balance in the Water/Sewer Fund.

The City Manager explained that the audit for FY 2016-2017 was being worked on by the auditor which will be submitted in October or November to the Local Government Commission. He added that the balances for all funds as of June 30, 2017 would be available.

Councilmember Willis explained that Council should wait until the audit is presented to discuss this matter because there was a reason for raising the water/sewer rates.

Councilmember Hammond explained that the rates were also increased in order to do some capital projects that had been postponed due to lack of funds for many years.

The City Manager explained that Mr. Chuck Willis, the engineer, completed the rate study which factored in the financial situation in the Water/Sewer Fund as well as future capital needs, resulting in the recommendation for the water/sewer rate increase.

Mayor Block explained that something had to be done at that time, and that's why the engineer recommended raising rates by 35%, but that the increase was not a long-term strategy. He added that as of June 30, 2016, the Water/Sewer Fund Balance was several million dollars, if not over \$3 million. He further added that the Fund Balance was probably over \$4 million now. He stated that he did not know why the City was stockpiling money and that the Water/Sewer Fund was running a \$1.5 million profit per year.

Councilmember Willis stated that the money was not being stockpiled. He added that Council should wait until the engineer came back after looking at the capital needs, and that if enough money had been raised to move forward with the water improvements, then he would be in favor of lowering the water rates.

Councilmember Hammond stated that Council needed more information from the engineer.

Upon question by Mayor Block, the City Manager explained that the engineer is not currently working on a rate study; however, if Council wanted him to look at rates right now, he would be using the June 2016 final audited statements, or Council could wait until after the fiscal year 2017 audit is completed.

Following a brief discussion, Mayor Block stated that Council would revisit this matter in November, 2017.

CONSENT AGENDA

Mayor Block presented the Consent Agenda as follows:

- a) Consider minutes of June 20, 2017 regular meeting
- b) Consider Resolution No. R-2017-22 Amending Resolution No. R-2017-18 Awarding Key to the City to Jim Quick

Councilmember Hammond explained that the City Clerk had sent an email to Council advising that she had not completed the June 20, 2017 minutes requesting that consideration of the draft minutes be removed from the Consent agenda; therefore, Item a) needed to be removed from the Consent Agenda.

Councilmember Williamson moved to approve the Consent Agenda as amended.
Councilmember Willis seconded the motion, and it was approved by the following vote:

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

PUBLIC HEARING

CONSIDER APPLICATION FOR COMMUNITY DEVELOPMENT GRANT FUNDING IN THE AMOUNT OF \$2,000,000.00 FOR SEWER IMPROVEMENTS TO THE PRODUCE MARKET ROAD AREA

Mayor Block opened the public hearing.

Mr. Mike Apke, with McGill & Associates explained that he was assisting the City with a grant application for sewer improvements to the Produce Market Road area. He added that it was a resubmittal of an application which was not funded last year. He further added that efforts to improve the application score had been made, including adding this project to the City's approved Capital Improvement Plan (CIP). He explained that he was required to read the following script:

“This public hearing on September 19, 2017, will provide an explanation and description of the FY 2018 North Carolina Department of Environmental Quality (DEQ) Community Development Block – Infrastructure Grant (CDBG-I).

I am present to discuss the purpose of the public hearing for the City of Laurinburg's CDBG-I funding application. The purpose of the public hearing is to obtain citizen's views and to allow response from the public to funding proposals and answer any questions posed by citizens. This public hearing will cover the City's community development needs, development of the

proposed activities, and a review of program compliance before the submission of the City's CDBG-I funding application to the state of the North Carolina.

The City proposes to request funding from NCDEQ'S CDBG-I program for the Produce Market Road Area Wastewater Collection System Improvements project. The purpose of the CDBG-I grant program is:

- To improve the quality of life for low to moderate income people by providing a safe, clean environment and clean drinking water through water and sewer infrastructure improvements and extensions of service.
- To benefit a residential area where at least 51% of the beneficiaries are low to moderate income as defined by the United States Department of Housing and Urban Development.
- To perform eligible activities.
- To minimize displacement.
- Provide displacement assistance as necessary.

For the fiscal year of 2017-18, the CDBG-I funding available is expected to be \$21.725 million. The maximum available grant is \$2.0 million over a 3-year period. Applications for funding will be received on September 29, 2017.

The CDBG program is able to fund a wide variety of community development activities. The State of North Carolina has chosen to fund two activities: water and sewer infrastructure, and economic development projects that lead to job creation or retention. The infrastructure program, or CDBG-I program can fund a range of water and sewer infrastructure activities, including, but not limited to the, following:

Water:

- Projects that resolve water loss in distribution systems.
- Projects that extend public water to areas with contaminated wells.
- Projects that extend water lines to areas with dry wells.
- Projects that assist with low water pressure in public water systems.
- Projects that regionalize two or more water systems.
- Project that rehabilitate or replace a water treatment plant.

Wastewater:

- Projects that resolve inflow and infiltration to collection systems and surcharges from pumps stations and manholes.
- Projects that extend public sewer to areas with failed septic tanks.
- Projects that rehabilitate a wastewater treatment plant to allow for greater efficiency/compliance with regulations.

The City is seeking an amount in CDBG-I funds not to exceed \$2,000,000.00 for the Produce Market Road Area Wastewater Collection System Improvements project. The purpose of the City's request is to rehabilitate and replace approximately 10,000 feet of existing gravity sewer

lines and approximately 40 brick manholes in an existing low to moderate income area of Laurinburg that has historically experienced significant issues with Infiltration and Inflow (I/I). The existing lines and appurtenances have surpassed their useful design life, and have substantial need for improvement. In addition, the project proposes to replace the existing Produce Market lift station, including the construction of a new wetwell and the installation of new pumps, piping, valves and related appurtenances.

The project proposed by the City of Laurinburg was identified in the adopted FY 2017-18 Capital Improvement Plan. Door-to-door surveys and meetings in the affected neighborhood were held in the project area to inform citizens of the potential project, and get feedback from the residents.

A total of 100% of the CDBG- I funding will be used to benefit Low to Moderate Income (LMI) people. The project area in the City of Laurinburg has been determined to have an income survey area of 90.57%. The project area includes Produce Market Road and intersecting streets from Wagram Road to Port Street.

The range of activities covered by the CDBG-I funds for the Produce Market Road Area Wastewater Collection System Improvements includes:

- Construction.
- Environmental Review.
- Engineering Design.
- Construction Administration and observation.
- Legal activities.
- Surveying.
- Grant Administration.

If the City of Laurinburg is awarded a CDBG-I grant, the City is required to adhere to federal procurement requirements and other federal regulations which include:

- American with Disabilities Act/Section 504 Survey.
- Davis-Bacon & Related Labor Acts.
- Adoption/Submittal of a Citizen's Participation Plan.
- Adoption/Submittal of an Equal Opportunity Plan.
- Adoption/Submittal of a Fair Housing Plan.
- Adoption/Submittal of a Language Access Plan.
- Adoption/Submittal of a Relocation Assistance Plan.
- Adoption/Submittal of a Section 3 Plan.
- Excess Force Provision.

The State of North Carolina requires that the if the City of Laurinburg receives CDBG grant funding that the City will certify that they will comply with the requirements of the general displacement and relocation policy for CDBG grant funding. This policy assists low to moderate income people with costs associated with relocation or displacement, should such relocation

become necessary due to the project activities. CDBG funds can be used for those costs, if necessary; however, no displacement and relocation is anticipated to occur as a result of the proposed CDBG activity.

In the past, the City has applied for and received for the following completed CDBG project:

- List Name of projects: **NONE**

The City will submit its CDBG-I application for the Produce Market Road Area Wastewater Collection System Improvements on September 29, 2017. The CDBG-I application will be available for review during normal business hours at 203 Atkinson Street, Laurinburg, NC 28352. Additional information is available from City Manager, Charles D. Nichols III at 910-276-8324 or at 203 Atkinson Street, Laurinburg, NC 28352. Should you have any complaints or grievances regarding the subject public hearing, they should be addressed to the addressee mentioned above within 10 business days or by October 3, 2017, and a written response to the written complaints and/or grievances will be sent by the City within 10 business days, where practicable.”

Upon questions by Mr. David Norris, 12500 McKinnon Drive, Laurinburg, Mr. Apke explained that the amount allocated for grant administration was up to 10% of construction costs; however, that amount had not been determined. He added that the grant was project specific and has specific criteria that must be certified. He further added that there were no required matching funds from the City.

Mr. Norton stated that as a citizen he was in favor of the grant.

Councilmember Leak explained that the project area was in District One.

Upon question by Mr. Brian Gainey, 218 West Boulevard, Laurinburg, Mr. Apke explained that the pump station at Port Street and Geneva Street would be replaced if the grant is approved.

Mr. Gainey stated that he was in favor of the grant application.

Ms. Mary Evans, 401 Sugar Road, Laurinburg, explained that she was in favor of the grant because anything that improved the quality of life for citizens was a plus.

No one spoke in opposition to the grant application.

The City Manager thanked Police Chief Darwin Williams who personally assisted McGill & Associates with obtaining the residents’ surveys to help the City obtain a better grant score.

Upon question by Mayor Block, the City Manager explained that the City had received Industrial Development Fund (IDF) grants recently but this grant was a specific Community Development Block-I project. He added that this application was a resubmittal from the previous year.

Mr. Apke explained that the IDF grants were to run service to industrial sites, but this grant was more residential and was for rehabilitation. He added that points are obtained by the age of the lines being replaced, and that he believed that the sewer lines in the Produce Market Road area were over 40 years old.

Upon question by Mayor Block, Mr. Apke explained that the grant application was due on September 29, 2017 and that announcements would be made in January, 2018.

Mayor Block closed the public hearing.

Councilmember Willis moved to approve Resolution No. R-2017-23 Resolution for Application for North Carolina Environmental Quality (DEQ) Community Development Block Grant – Infrastructure (CDBG-I). Councilmember Adams seconded the motion, and it was approved by the following vote:

Ayes: Willis, Adams, Hammond, Williamson, Leak

Nays: None

(Resolution No. R-2017-23 on file in City Clerk's office)

Motion was made by Councilmember Adams, seconded by Councilmember Williamson, and unanimously carried to approve the minutes of this public hearing.

DELEGATIONS

DAVID RICHARDSON, EXECUTIVE DIRECTOR, LUMBER RIVER COUNCIL OF GOVERNMENTS – NC TOMORROW PLAN

Mr. David Richardson explained that he was the new Executive Director of the Lumber River Council of Governments (COG), and that he was delighted that the City of one of the COG's 36 member governments. He thanked Councilmember Adams and Hammond for being the City's delegation to the Board of Directors of the COG. He reviewed services provided to member governments, which include community and economic services and workforce and aging services. He added that the COG has worked with City staff on water and sewer asset inventory grants. He discussed the NC Tomorrow Plan which was developed through the Regional Association of Council of Governments, and is a statewide, local and regional plan to address comprehensive economic and community development across the state. He added that this plan is compliant with the North Carolina (NC) Department of Commerce, NC Department of Environmental Quality (DEQ), the Rural Center and it encourages collaboration between the federal, state and local level to address four (4) broad goals. The broad goals are: 1) to build on the regions' competitive advantages, 2) leveraging the marketplace, 2) establishing and maintaining a robust regional infrastructure creating revitalized healthy, secure and resilient communities, 3) developing talented and innovative people. He concluded by stating that it was hoped that this NC Tomorrow Plan would help the City move forward with its economic and community development, and that the COG was available to serve the City of Laurinburg and the greater Scotland County community.

MICHAEL EDDS AND MICHAEL SCHMIDT – FLOODING ON STREETS AND INQUIRING AS TO PLANS TO ADDRESS THIS MATTER

Mr. Michael Edds, 1207 Blue Drive, explained that Mr. Schmidt could not attend the meeting. He discussed the continued flooding on Blue Drive, on McNeil Drive and other areas of the City along with discussions with the City Manager; Mr. Stacey McQuage, Public Utilities Director; Mayor Block; and Councilmember Hammond about the issue. He also discussed the following:

- Talked with neighbors and the flooding has been going on for years.
- Has been told that neighborhood is in a low-lying area and prone to flooding. Also told that the drain was installed in 1960 and has not been upgraded since that time.
- The City Manager and staff have responded every call. Staff would come clean the drain out. Staff determined that the drainage ditch was not deep enough, crews were sent in to dig the ditch deeper.
- Flooding is also an issue on McNeil Drive and at the corner of Main Street and Roper Street.

Mr. Edds asked the following questions:

- Is there a comprehensive plan to fix the storm drainage problems?
- Where has the money been spent that the City receives for street maintenance?
- Is there a plan and time schedule to take care of flooding and repaving streets?

Mayor Block stated that he was not aware of a comprehensive plan.

The City Manager explained that the City has a Capital Improvement Plan for all City infrastructure.

Councilmember Hammond explained that money was included in the budget this fiscal year for street paving. She added that it would be City streets only, not state-maintained streets. She further added that a priority list was part of the Street Pavement Study conducted in the previous fiscal year.

Upon question by Mr. Edds, the City Manager explained that the City each year the City submits to the state a detailed report on Powell Bill fund expenditures.

Further discussion ensued concerning flooding issues across the City as well as throughout Scotland County.

Upon question by Mayor Block, the City Manager explained that he was not certain if the CIP included storm drainage improvement.

Upon question by Mayor Block, Mr. Stacey McQuage, Public Utilities Director, explained that there had not been a storm drainage study completed in over 20 years. He further explained that efforts were made to take care of the areas that continually flood.

Following further discussion, it was consensus of Council to conduct a comprehensive study of the storm drainage system and its needs.

JO AN GENTRY, LAURINBURG-MAXTON AIRPORT COMMISSION –REQUEST FOR ACCESS AND EASEMENT AGREEMENT BETWEEN LAURINBURG-MAXTON AIRPORT COMMISSION AND MOUNTAIRE FARMS

Ms. Jo Ann Gentry, Executive Director of the Laurinburg-Maxton Airport (LMA), explained that the Laurinburg-Maxton Airport Commission approved an easement to Mountaire Farms, Inc. to go across a 29.10-acre pond site at the Airport in order for Mountaire to access the property sold in April, 2017 to the Scotland County Economic Development Corporation (EDC) which was in the process of being released by the Federal Aviation Administration (FAA) and the North Carolina Division of Aviation. Once the property is released by the FAA and NC Division of Aviation, it will be transferred to Mountaire from the EDC. She further explained that until Mountaire obtained ownership of the property, it wanted to access its industrial site. She added that the 29.10 acre site is not used by LMAC.

Councilmember Adams moved to approve Resolution No. R-2017-24 Resolution for Application for North Carolina Environmental Quality (DEQ) Community Development Block Grant – Infrastructure (CDBG-I). Councilmember Williamson seconded the motion, and it was approved by the following vote:

Ayes: Adams, Williamson, Leak, Willis, Hammond
Nays: None
(Resolution No. R-2017-24 on file in City Clerk’s office)

RECOGNITION OF RETIREE

Mayor Block presented and read a plaque to former Assistant Chief of Police Cliff Sessoms, as follows:

WITH SINCERE APPRECIATION

To

***Cliff Sessoms
September 16, 1992 – August 10, 2017***

In special tribute for his 25 years of dedicated public service as an employee of the City of Laurinburg, first serving as a Patrolman and advancing to the General Crimes Division as a Detective. He was promoted to Patrol Lieutenant in 2007 before being promoted to Assistant Chief in 2013 until his retirement.

The Mayor and the Laurinburg City Council express their sincere appreciation for his dedication and unselfish professional service to the Laurinburg Police Department and citizens of Laurinburg.

His dedication and loyalty to protecting Lives and Property were first and foremost in his career. Helping others is a natural trait and he enjoyed helping people. The City of Laurinburg provided Cliff the platform to touch lives and he directed and redirected citizens throughout his career. He was always willing to assist other officers and City employees. Cliff stated, "It's time for me to leave and it's time for the young generation to lead." In addition, his commitment to the annual Christmas Parade, Relay for Life and other community events will be greatly missed. Cliff's humor and realistic outlook on life provided much needed comfort to the members of the Police Department.

We wish him many more years of continued success and may God bless him and his family on their journey.

Presented this the 19th day of September, 2017.

Mr. Sessoms thanked all present, and explained that family always comes first, and his son was playing football. He added that it was an honor to serve the City and its citizens; and that hopefully he made a difference in someone's life. He thanked former Chief Robert Malloy for hiring him and giving him the opportunity. He thanked Chief Darwin "Duke" Williams and explained that Chief Williamson was one of the best teachers one could ever have. He stated that he loved Laurinburg, loved Chief Williams and all of the police officers. He added that most people do not know what police officers put on the line to serve and protect this community. He further added that this was a great community due to the people who live in the community.

Police Chief Darwin Williams presented Mr. Sessoms with his service weapon.

CITY MANAGER REPORTS

HUMAN RESOURCES UPDATE

Mrs. Betty Galloway, Human Resources/Risk Management Director, explained that the Springsted Pay and Classification requested by Council had kicked off and employees had completed the job questionnaires. She added that Springsted was gathering information on other municipalities to provide benchmarks. She further added that the process would be completed in February or March, 2018, and that Springsted would present three (3) options to Council.

Mrs. Galloway explained that the first Citizens Academy was completed and went well. She added that staff received feedback on how to tweak the Academy. She further added that with new department heads and supervisors, it was discussed at the Leadership Team meeting to offer the Citizens Academy every other year.

A discussion ensued concerning offering the Citizens Academy yearly or every other year.

The City Manager explained that the Citizens Academy was included in the current year's budget. He added that staff wanted direction from Council.

Discussion ensued concerning advertising the Citizens Academy and obtaining the maximum number of participants of ten (10). It was consensus of Council to hold the Citizens Academy this fiscal year.

Upon questions by Mayor Block, Mrs. Galloway explained that a pay and classification plan study was normally conducted every five (5) years. She added that some of the benchmark municipalities would probably include Lumberton, Clayton, Lenoir, Pinehurst, Raeford, Rockingham, Kinston and Goldsboro, and also Scotland County.

CONSIDER REQUEST BY MS. DORIS A. MCLAUGHLIN CONCERNING LOT ON LINCOLN STREET

The City Manager explained that Ms. Doris McLaughlin owns property at 342 Lincoln Street which adjoins a small lot on one side owned by the City. She has requested to purchase the lot; however, because she has maintained the lot for many years, she does not want to pay the appraised price.

The City Attorney explained that he understood Ms. McLaughlin's standpoint; however, the City must follow the competitive bidding process and the City cannot sell the lot for less than the appraised value.

Discussion ensued concerning the width of the lot which precluded anything from being constructed on it pursuant to the City's current Unified Development Ordinance.

Following further discussion, the City Attorney requested additional time to research this matter and options for Ms. McLaughlin to purchase the lot.

CONSIDER JOINT PURSUIT OF BROWNSFIELD ASSESSMENT GRANT UP TO \$600,000 BY THE CITY OF LAURINBURG, SCOTLAND COUNTY AND THE SCOTLAND COUNTY ECONOMIC DEVELOPMENT CORPORATION

The City Manager explained that this grant opportunity was discussed previously and would be a joint effort between the City, Scotland County and the Scotland County Economic Development Corporation to apply for a \$600,000.00 Brownsfield Assessment Grant.

Upon question by Councilmember Williamson, the City Manager explained that the grant would not provide funds for clean-up.

Upon question by Mayor Block, the City Manager explained that no local match was required.

Motion was made by Councilmember Williamson, seconded by Councilmember Willis, and unanimously carried to participate in joint pursuit of Brownsfield Assessment Grant up to \$600,000.00 by the City of Laurinburg, Scotland County, and the Scotland County Economic

Development Corporation.

CONSIDER APPROVING CONTRACTS WITH EDIFICE, INC. PENDING FUNDING APPROVAL FROM THE LOCAL GOVERNMENT COMMISSION

The City Manager explained that Edifice, Inc. is the construction manager for the City Hall and Police Department project. He added that the City Attorney has reviewed the construction contracts.

The City Attorney explained that he and Mr. Haywood, General Services Director, had worked with Edifice, Inc. on preparing the contracts. He explained that they are based on a form designed by the American Institute of Architects, and that they contain details on responsibilities of the construction contractor.

Upon question by Mayor Block, the City Attorney explained that demolition of the Barrett Building was part of the work defined in the contracts.

Upon question by Mayor Block, the City Manager explained that demolition of the Barrett Building was included in the previous bidding conducted by Edifice, Inc.

The City Attorney recommended that the execution of the contracts be contingent upon funding approval from the Local Government Commission.

Motion was made by Councilmember Willis, seconded by Councilmember Williamson, and carried unanimously to authorize the City Manager to execute contracts with Edifice, Inc. pending funding approval from the Local Government Commission.

UPDATE ON COUNTY WATER SYSTEM

The City Manager provided an update on the County water system as follows:

- Scotland County has two (2) water districts. Earlier in the year a new state inspector looked at the districts and based upon the number of master meters, said that there should be seven (7) water districts. By having additional water districts, there would be additional monitoring and costs associated per district, as well as the maintenance going from two (2) districts to seven (7) districts.
- Pursuant to the current Water System Agreement between the City and Scotland County, the City handles maintenance and monitoring for the County water districts.
- Two (2) meetings have been held with the County including with the state inspector.
- The County has requested that the City look into the option of the City being the umbrella for the County water districts. There would be reduced monitoring required.
- Willis Engineering, the City's water/sewer engineer, reviewed billings and maintenance related to the County. Chuck Willis believes that more time is necessary to consider the County's proposal. However, his four (4) initial major concerns with the proposal were:
 - The County has suggested it retain its water distribution and lease them to the City for a fixed fee. Under this arrangement the County would have a guaranteed

- income while the City assumes all risks of operation. Operation and repair costs can be highly variable and additional cost analysis is merited.
- The Laurinburg-Maxton Airport Commission (LMAC) provides most of the water sold in District 1. If the City intends to provide water to these customers instead of LMAC, it will require significant capital improvements. If the City buys water from LMAC, a new agreement would likely be needed.
 - A significant amount of the water sold to the County is used for flushing and maintenance. This water is currently paid for by the County. Based on the proposed agreement, these costs would not be charged to a customer once the systems are consolidated. This would likely increase the City's amount of unaccounted-for water and may impact rates.
 - If the City and County consolidate systems, a new monitoring schedule will be needed, which could significantly increase monitoring cost until the system receives approval for reduced monitoring.

The City Manager explained that only one (1) meeting had been held between City staff and County staff to discuss this issue. He added that the engineer needs more time to give complete his review of the proposed revised agreement in order to provide recommendations to the City; therefore there was no action needed.

COMMENTS FROM MAYOR AND/OR COUNCILMEMBERS

Mayor Block explained that as presiding officer, it was his responsibility to ensure that the highest form of ethics is adhered to, and that he recently had issue when Councilmember Adams voted to appropriate citizens' money to a company, WPDE, for which her brother works. He added that he believed there should be a general policy on ethics that when Council was voting on spending money with a company with which a Councilmember's family member is employed, that this family interest should be disclosed. He further added that going forward, he would like that if a Councilmember has a family member involved in City business that this fact should be disclosed and there be an offer of recusal from voting. He further explained that since Council has been clear that the members bounce ideas off each other outside of meetings, he wanted to clarify with Council that the members were not unknowingly influenced by knowing that Councilmember Adams' family member being employed by WPDE. He added that he wanted to make the opportunity for Council to revote on the issue if they wanted to.

Councilmember Adams explained that she would like to address the ethics situation. She added that after elected and then re-elected, she attended required ethics training, but the Mayor had not had ethics training.

Mayor Block explained that the discussion was not about his ethics training.

Councilmember Adams explained that she spent several hours listening to meeting recordings concerning the project with WPDE that the Mayor was discussing. She added that the first discussion about the "On the Road with Cecil" series on WPDE-TV 15 occurred at the December 22, 2015 meeting when Mr. Teddy Warner, then Community Development Director, presented the idea of the series as a way to market the City. She added that funds from

Laurinburg Downtown Revitalization Corporation (LDRC) would be used. She further added that the project was discussed several times after that; however, Council never voted on the matter. She further explained that on May 9, 2016 in a budget workshop in which Mayor Block was present and participated in the discussion, she disclosed that her brother was in charge of advertising at WPDE-TV 15.

Upon question by Mayor Block, Councilmember Adams explained that this disclosure was not in the minutes of the meeting; however, the recording included the disclosure. She then asked the City Clerk to play the section of the May 9, 2016 meeting.

Councilmember Leak explained that Council was discussing the “On the Road with Cecil” series on WPDE-TV 15. He added that it was a partnership between the City, the Laurinburg/Scotland County Area Chamber of Commerce, the Scotland County Economic Development Corporation, Scotland Memorial Healthcare, the Scotland County Tourism Development Authority and the Scotland County School System. He further added that the purpose for participating was to help market Laurinburg and the Scotland County area.

Upon question by Councilmember Leak, Mr. Chris English, Executive Director of the Laurinburg-Scotland County Area Chamber of Commerce explained that the City has been participating in the “On the Road with Cecil” series for a little over a year and a half. He added that over 80 segments about Laurinburg and Scotland County have been shown.

Councilmember Adams explained that Mayor Block did not raise the concern at the last meeting and only did so after Tonya Brown, reporter with WPDE, ran a story that presented the pros and cons on the new City Hall and Police Station, and that the report also included comments from some individuals in favor of and some individuals opposed to the New City Hall.

The City Clerk explained that while she played back the May 9, 2016 meeting, the recording of the current meeting had to be stopped and she requested that no one speak until she was able to restart the recording of the current meeting. She then played the recording of the portion of the May 9, 2016 meeting whereby Councilmember Adams disclosed that her “brother is in charge of advertising with WPDE”.

Upon question by Mayor Block, Councilmember Adams explained that in December, 2015 when Mr. Warner discussed participation in the “On the Road with Cecil” series, he presented it with the idea of using LDRC funds.

The City Manager explained that the December, 2015 meeting was the first time the series was discussed.

Mr. English explained that the first programs would have run in early February, 2016.

Councilmember Hammond stated that when the City started funding the series, Councilmember Adams disclosed appropriately that her brother worked for WPDE.

Upon question by Mayor Block, Mr. English explained that the first round of the series was funded by LDRC, Scotland Healthcare, the Chamber, Scotland County Schools, and the Scotland County Tourism Development Authority. He added that the Scotland County Economic Development Corporation (EDC) got involved in the funding later. TDA. And the EDC got involved later.

Mayor Block stated, "And the City didn't fund the first round?"

Councilmember Adams stated that LDRC funds were used. She added that the series was presented to Council as a means of marketing the City.

Councilmember Hammond stated that Councilmember Adams disclosed what she needed to disclose at the May 9, 2016 meeting. She added that she did not see where any Councilmember was coerced into voting affirmatively on the matter.

Councilmember Adams asked the following questions:

- "Is it ethical for the Mayor of Laurinburg to put on Facebook when Councilmembers are out picking up trash on the side of the road for the Litter Sweep, for him to comment 'the vests make it harder to justify accidentally running them over'?"
- Is it ethical for the Mayor to also, on social media, and I quote, "I would feel ethically compromised positively advertising current day Laurinburg"? And there are a couple of other sentences and at the end of that quote is 'I would feel like a used car salesman selling a lemon.' Now the Mayor of Laurinburg is calling our City a lemon. Ethical, is that ethical for the mayor to do that? Using one of your pseudonyms in the newspaper, you said 'Councilmember Mary Jo Adams is unfit to serve and is why she should resign.' Another quote, 'citizens deserve a much higher standard of ethics and service by those who seek to serve them.'"

Councilmember Adams stated that she agreed that the citizens deserve a higher standard of ethics than what Mayor Block is providing as Mayor of Laurinburg. She discussed that he has publicly bashed and spoken negatively about anyone who agrees with anything that Council is doing. She added that he has suggested that citizens boycott businesses, and that he has encouraged people to talk negatively about Scotland Healthcare System and about each Councilmember. She added that on July 9, 2008, Mayor Block received a notice for a hearing for unprofessional conduct because he could not abide by the ethics of the medical profession. She added, "So ethics seem to be a problem with you." She discussed his targeting her, her brother and her family. She further added that her 95-year old mother read his comments in the newspaper and wondered why "her former cardiologist made comments about her daughter and son". She suggested that Mayor Block should think about what he is doing.

Mayor Block explained that he has thought a lot about what he is doing. He added that he has problems "with the ethics of this council that goes forward on spending millions and millions of dollars against the citizens' wishes, against 99% of the citizens' wishes. That a council just ignores what they have to say. Those things that you are bringing up have nothing to do with spending citizens' money against their will."

Councilmember Adams stated that the discussion was about ethics.

Mayor Block agreed that the discussion was about ethics. He added, "Those things that you mentioned are not costing the citizens a dime. The reason why I have taken Council to task is because, as you very well know, nobody in the City wants your City Hall, and you all continue to go ahead with it and that is costing the citizens money. That is what the citizens care about. Not what the Mayor comments on Facebook. It's our job to spend the citizens' money the way they want it to be spent. So that is the ethical issue of importance, not some comments on Facebook or the newspaper, whatever."

Councilmember Williamson requested that Mayor Block acknowledge that he was incorrect about Councilmember Adams not disclosing the fact that her brother worked for WPDE. He added that Mayor Block had "gone to great lengths to embarrass her and her brother, when you have heard that that is not what happened."

Mayor Block stated that he apologized as he did not hear the disclosure. He added that he thought that "before each time she votes on the issue, she should offer to recuse herself from voting. I think that's the standard."

The City Attorney stated, "That is not the standard, Mr. Mayor."

Mayor Block continued stating, "That I think good ethics dictate that whenever you are about to vote on sending money to your brother's company that you highlight the fact again before the vote and make an offer to recuse or just make sure everyone is aware of that potential conflict of interest. But, you are right, I didn't hear that and I do apologize for that, that you did disclose it. So I will own up to that."

The City Attorney explained that what had been discussed was that Councilmember Adams had a conflict of interest in the matter, and that according to the law, there was no conflict of interest in this situation. He added that under the circumstances, Councilmember Adams had an obligation to vote and could not recuse herself under the law because it was a contractual matter that involved the City and another entity. He further added that she would have been prevented from voting on that matter if she or her husband had a personal financial interest in the contractual issue.

Mayor Block stated, "Mr. Floyd, we are not talking about the legal aspect. We are talking - there are ethics and there's legal considerations. I'm not saying that it wasn't legal for her to vote on the issue, I am talking about what was good ethics."

The City Attorney stated that Councilmember Adams had an obligation to vote on the matter.

Mayor Block explained that Councilmember Adams had an ethical obligation to make her brother's employment with WPDE known.

The City Attorney stated that Councilmember Adams did make her brother's employment with WPDE known. He added that Councilmember Adams had an obligation to vote whether she

disclosed that fact or not, because “under the circumstances, in this particular factual scenario, her brother working for WPDE with a contract that we had with the Chamber or whoever, would not put her in a conflicted position. In fact, under the Statutes, Ms. Adams, under this scenario, could have worked for WPDE, could have been a reporter for WPDE, could have owned 5% of WPDE’s company, and still had a legal obligation to vote on that contract. And she would have disclosed...”

Mayor Block interrupted the City Attorney and stated “I don’t have any problem with her voting on the issue. It was a matter of disclosing that distinct...”

The City Attorney stated, “And Mr. Mayor, this is for all you councilmembers. I sit here and I am quiet about this stuff. The politics stuff, talking about each other being ethical. That’s you all’s game. You all do that. But in this scenario, what has happened here is, without asking a question about whether or not she disclosed this, and without asking a question of whether or not she should have recused herself, and going out and saying she should have recused herself because she had a conflict of interest, you said she had a conflict of interest.”

Mayor Block stated, “I never said she should recuse herself. I said she should have disclosed it.”

The City Attorney asked Mayor Block, “Under the circumstances here, you said that she should have disclosed it and she should not have voted on it. Is that right?”

Mayor Block replied, “No.”

The City Attorney asked, “So you don’t have a problem with her voting on it?”

Mayor Block replied, “No.”

The City Attorney explained that the Statute is clear under the circumstances. He added, “What I want everybody to hear is that what was said about what Ms. Adams did was if she had voted on an issue, on a contractual issue, that involved a conflict of interest, under the law, that Statute is a Chapter 14 Statute. That’s a Criminal Statute. So basically what has happened is if she voted on that and she had a conflict of interest as defined by the Statutes, it would have been a crime for her to have done that. So when y’all go around accusing each other of violation of Criminal Statutes, that is where we have gone too far. So, Chapter 14, we are talking about a Criminal Statute. And that is what has been alleged here. A conflict of interest, a vote on a conflict of interest is a criminal matter. And that is a pretty serious allegation.”

Councilmember Adams explained that Mayor Block apologized to her, but that she felt that WPDE also deserved an apology. She discussed the coverage WPDE provides the area and that it also provides scholarships in the community. She further added that she apologized to the community for the way she had behaved in the meeting because that was not the way she was brought up.

Councilmember Williamson explained that good news released today was the announcement by the Governor's Office that Edwards Wood Products would open a new sawmill and provide 46 jobs.

The City Manager explained that the 46 jobs would happen over a three (3) year period and the investment would be \$3 million. He added that Scotland County provided an incentive package for \$50 million for 90 jobs over five (5) years.

Councilmember Williamson stated that the average salary was estimated to be over \$42,000.00 which is significant.

CLOSED SESSION

At 8:58 p.m. motion was made by Councilmember Adams to go into closed session pursuant to NC General Statute 143-318.11(a) (3) to consult with an attorney employed or retained by the City. The motion was seconded by Councilmember Willis, and carried unanimously.

Mayor Block departed the meeting at 8:59 p.m.

At 9:22 p.m., motion was made by Councilmember Williamson to adjourn the closed session and resume the regular meeting. The motion was seconded by Councilmember Hammond, and carried unanimously.

ADJOURNMENT

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

The meeting adjourned at 9:23 p.m.

Matthew Block, MD, Mayor

Jennifer A. Tippet, City Clerk