

APPROVED

**CITY OF LAURINBURG  
CITY COUNCIL MEETING  
DECEMBER 17, 2019  
CITY HALL AND POLICE DEPARTMENT  
303 WEST CHURCH ST.  
7:00 p.m.**

**Minutes**

The City Council of the City of Laurinburg held its regular meeting on Tuesday, December 17, 2019 in the Council Chambers of the City Hall and Police Department at 7:00 p.m. with the Honorable James T. Willis, Mayor, presiding. The following Councilmembers were present: Mary Jo Adams, Mary Evans, James J. Garby, Jr., Donald Rainer, and Andrew G. Williamson, Jr.

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

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

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

**APPROVAL OF AGENDA**

The City Manager explained that a closed session to consult with the attorney needed to be added at the end of the agenda, and that the City Clerk had requested that the Consent Agenda be amended to remove consideration of the August 20, 2019 regular meeting minutes.

Councilmember Evans explained that “Security Concern of Second Street” should have been on the agenda from the November 19, 2019 meeting.

Motion was made by Councilmember Adams, seconded by Councilmember Garby, and unanimously carried to approve the agenda with requested amendments.

**RECOGNITION OF RETIREE – MARY H. MCNEILL**

Mayor Willis presented a plaque to Mrs. Mary H. McNeill as follows:

***IN SINCERE APPRECIATION  
to  
MARY MCNEILL  
SENIOR ACCOUNTING TECH***

***OCTOBER 1996 – DECEMBER 2019***

*In special tribute for 23 years of dedicated public service as an employee of the*

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*City of Laurinburg in several positions. Mary was hired on October 7, 1996 as an Accounting Technician; then promoted to Sr. Accounting Technician on August 5, 2005, in the Finance Department. Mary also served as Interim Tax Collector in the Finance Department on two occasions which were July 6, 2004 to August 5, 2005 and October 3, 2011 to May 25, 2012 while remaining as the Sr. Accounting Technician until her retirement on December 31, 2019.*

*The Mayor and the Laurinburg City Council express their sincere appreciation for her unselfish professional service to the citizens of Laurinburg and this community. Mary dedicated her time and talents to the citizens of Laurinburg and is the epitome of a true public servant. She worked tirelessly and effectively to serve the citizens of this community and to make our City a better place to live for all the citizens of Laurinburg.*

*We wish her many more years of continued success in the next chapter of her life.*

*Presented this the 17<sup>th</sup> day of December, 2019.*

*Mayor and Council*

Mrs. McNeill explained that she had enjoyed working at the City, and it was a wonderful place to work.

**PUBLIC COMMENT PERIOD**

Mr. John Easterling, 9301 Oak Drive, expressed concern about the condition of Cedar Grove Cemetery, and it being the historic African American cemetery in the City.

Mr. Donald Michael Anderson, 10421 Leisure Road, explained that he believed that the new Council was more reflective of the citizens' needs. He added that the work that Mr. Christopher Mitchell does with the Scotland Reentry Council, and that he hoped Council would listen attentively to him during his presentation later in the meeting.

**CONSENT AGENDA**

Mayor Willis reviewed the Consent Agenda:

- a) Consider minutes of August 20, 2019 special meeting
- b) Appointment of Max Karamake as Deputy Finance Director

Councilmember Williamson moved to approve the Consent Agenda. The motion was seconded by Councilmember Evans, and the vote was as follows:

Ayes: Williamson, Evans, Rainer, Adams, Garby  
Nays: None

**DELEGATION**

**CHRISTOPHER MITCHELL – UPDATE ON SCOTLAND COUNTY REENTRY COUNCIL**

Mr. Christopher Mitchell, Scotland Reentry Council, discussed the efforts of the Scotland County Reentry Council as follows:

- In the last two (2) years since he appeared before Council, the Scotland County Reentry Council has become an individual effort and is no longer a tri-county effort between Robson, Scotland and Hoke Counties.
- Received grant from the Department of Public Safety in the amount of \$150,000.00 thanks to Ms. April Snead, Director of Scotland County Department of Social Services.

Ms. April Snead explained that she was excited to have received the grant funding to use for the Scotland Reentry Council. Upon questioning, she explained that the grant would be used for programmables for the Reentry participants; however, she would need to go through the grant requirements to determine exactly for what the grant funds could be used.

Discussion ensued concerning the upcoming fiscal year budget. Mr. Mitchell explained that he would be requesting approximately \$10,000.00 from Council, but would present more definite information in February.

**CITY MANAGER REPORTS**

**FY 18-19 AUDIT REPORT – CARL HEAD**

Mr. Carl Head, of Roche, Head and Associates, PLLC, explained that he would present the audit report and summary of audit for June 30, 2019. He thanked Council for allowing the firm to perform the audit. The purpose of the audit is for the auditor to go through the City’s finances, conduct tests of accounts, and make sure that the accounts are accurate. If they are accurate enough, the auditor can express an opinion on the City’s financial statements. The best opinion that can be given from an audit is an unmodified opinion which means that the auditor did not have to discount certain items that there were no findings. The City received an unmodified opinion which means that the financial statements can be relied upon by third parties.

Mr. Head provided a summary of the General Fund as follows:

	2016	2017	2018	2019
Net Change in Fund Balance	\$83,576	\$(459,343)	\$63,416	\$(760,488)

- In 2019 salaries increased because of the Classification and Pay Plan adopted by Council, there was a lawsuit settlement, and there were more equipment purchases than in previous years.
- Not unusual to see fluctuations as seen over the past four (4) years.

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Mr. Head provided a summary of the enterprise funds for FY 2019 (Electric, Water/Sewer and Solid Waste Funds) as follows:

- Income before transfers and other items in the Electric Fund was \$1,720,169.
- The Water Fund increased by \$1,716,297.
- The Solid Waste had an increase of \$165,136.

Mr. Head provided a summary of cash totals in the funds as follows:

Year	General Fund	Electric	Water/Sewer	Solid Waste	Total
2016	\$3,953,213	\$1,139,251	\$2,326,792	\$122,810	\$7,542,066
2017	\$3,394,349	\$1,897,975	\$3,976,025	\$385,684	\$9,654,033
2018	\$3,446,023	\$3,480,066	\$6,022,612	\$523,248	\$13,471,949
2019	\$2,478,630	\$2,698,554	\$3,116,321	\$929	\$8,294,434

All of the funds experienced decreases in cash from 2018. Cash was transferred from the Electric and Water/Sewer Funds into Capital Project Funds for future projects. Hurricane Florence hurt all funds, particularly the Solid Waste Fund, because the City has not been reimbursed from the Federal Emergency Management Agency (FEMA) for damages.

Mr. Head discussed the State of Cash Flows as follows:

Cash Flows from operations	Electric	Water/Sewer	Solid Waste	Total
2016	\$3,005,579	\$3,025,609	\$308,626	\$6,339,814
2017	\$1,096,059	\$3,561,743	\$485,867	\$5,143,669
2018	\$2,246,479	\$3,671,787	\$450,055	\$6,368,321
2019	\$1,559,859	\$3,263,406	(\$13,777)	\$4,809,488

- Decrease from 2018 to 2019 can probably be attributed to higher salaries, and expenditures for Hurricane Florence.
- The Solid Waste Fund temporarily borrowed funds from the Water/Sewer Fund because cash was negative in the Solid Waste Fund at one point during the year.

Mr. Head explained that the available Fund Balance in the General Fund as a percentage of General Fund expenditures was at 30% as of June 30, 2019. The prior year, that percentage was 47.5%, so the City is above the recommended minimum of eight percent (8%).

Mr. Head explained that there were no findings this year; however, he had three (3) recommendations as follows:

1. Fixed Assets: Make sure than after a disaster all damaged fixed assets are removed from the books because it is not good to have damaged and unusable assets sitting on the books.
2. Bank Reconciliations: It was noted during the audit that monthly bank reconciliations could vary or not reconcile to the books by amounts that were not material. Most of the differences were because of timing differences with utility payments. It was recommended that a

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more precise method of posting the payments so that the bank statements can be reconciled to the books with very minimal variations.

3. The minutes from August 2019 to December 4, 2019 have not been approved and are only in very rough draft form. The clerk does an excellent job, and the minutes are the most detailed he has ever seen. Minutes are used to review subsequent events and to confirm other information that may need to be disclosed in financial statements.

**AUTHORIZE MAYOR TO EXECUTE AMENDMENT TO FISCAL YEAR 18-19 AUDIT CONTRACT WITH ROCHE, HEAD & ASSOCIATES, PLLC**

The City Manager explained that an amendment to the audit contract with Roche, Head & Associates needed to be approved because the original contract had the audit submission date to the Local Government Commission as December 1, 2019, and the audit was submitted on December 4, 2019.

Motion was made by Councilmember Adams, seconded by Councilmember Garby, and unanimously carried to authorize the Mayor to execute amendment to FY 18-19 audit contract with Roche, Head & Associates, PLLC.

**CONSIDER AWARDING BID FOR INSTALLATION OF SUBSTATION**

The City Manager explained that staff was requesting that Council award the bid for the installation of the substation to Carolina Power and Signalization in the amount of \$721,728.80. The bid amount was in line with the budget for the capital project.

Following a brief discussion, motion was made by Councilmember Williamson, seconded by Councilmember Garby, and unanimously carried to award bid to Carolina Power and Signalization for installation of 230-24.94/14.4KV Substation Delivery No. 2 in the amount of \$721,728.80 with completion time of 180 days, and authorize the City Manager to execute contract with Carolina Power and Signalization.

**UPDATE ON NORTH FIRE STATION/GRANTS**

The City Manager explained that staff had been going through the FEMA process and met with FEMA representatives yesterday. Staff has been seeking other funding avenues and was just notified by the Golden Leak Foundation that the City was awarded a \$1 million grant for relocation of the North Fire Station. This grant can only be used for relocation and not for rehab. This grant is in addition to the \$250,000 previously awarded by the Golden Leak Foundation that can be used for rehab or relocation. Therefore, with the \$1.25 million from the Golden Leak and the \$111,000.00 from FEMA, the City has \$1.36 million for relocation of the North Fire Station. Staff was requesting direction from Council on how to proceed.

Upon question by Councilmember Rainer, the City Manager explained that without specific guidance from Council, staff had an estimate for a turnkey fire station from a construction company that constructs fire stations of a 10 bay fire station with a training room and living quarters of \$1.55 million. Construction drawings and plans would need to be obtained and the

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project bid before a final price could be determined. The company recently built one of similar size to what staff is researching with no site work, and that cost \$1 million.

Upon question by Councilmember Rainer, the City Manager explained that the estimated cost for rehabbing the current North Fire Station was \$377,000.00. The City would be required to obtain flood insurance at the cost of \$33,000 per year. If the FEMA funds are not accepted by the City, if there were future disasters, FEMA would not look upon the City's claims as favorably.

Councilmember Williamson explained that a huge factor to take into consideration if the current North Fire Station was rehabbed and operates 20 more years, then the City would be paying at least \$33,000.00 per year for flood insurance.

Upon question by Mayor Willis, the City Manager explained that the current North Fire Station had six (6) bays, or doors; however, the ladder truck is so large, only five (5) bays can be used. Staff asked the contractor for a 10-door option and a larger training room. Once staff has direction from council, staff will meet with the architect to work on plans.

Upon question by Councilmember Evans, the City Manager explained that in order to not impact homeowners' insurance on the north end, including the North Fire District that goes to Salley McNair Road, the location of a new station would have to be at least as far north as the current station.

Councilmember Evans stated that she wanted to know if there would be any financial impact on citizens such as higher taxes.

Councilmember Rainer explained that he wanted to make sure that if a new fire station was built, that the cost to the citizens was not more than what would be spent of the citizens' money to repair the current fire station.

The City Manager explained that staff would be able to direct the architect and contractor that the City did not want to spend a dollar over the awarded grant money for a new fire station.

Upon question by Councilmember Garby, the City Manager explained that there was a possibility of property being donated to the City for the fire station. However, the cost of land has not been considered at this point.

The City Manager explained that he and staff would have representatives from FEMA and North Carolina Emergency Management Services (EMS) at the January council meeting to discuss the hurdles, and at that time, staff would have more solid numbers for Council to consider.

Mayor Willis confirmed that it was consensus of Council for the City Manager to have representatives from FEMA and EMS at the January council meeting and to provide more solid numbers for rehab and construction.

**CONSIDER 2020 COUNCIL MEETING SCHEDULE**

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The City Manager explained that according to the City Code, the regular Council meeting is held on the first Tuesday after the 15<sup>th</sup> of every month. Each year Council adopts a meeting schedule. Staff is recommending that the December 2020 meeting be held one (1) week earlier on December 15, 2020 in order to not be scheduled so close to Christmas.

Following a brief discussion, motion was made by Councilmember Adams, seconded by Councilmember Rainer, and unanimously carried to approve the 2020 Council meeting schedule.

**CONSIDER FISCAL YEAR 2020-2021 BUDGET SCHEDULE**

The City Manager explained that the budget schedule was presented so that Council would be aware of what was happening internally with the budget.

Motion was made by Councilmember Adams, seconded by Councilmember Evans, and unanimously carried to approve the Fiscal Year 2020-2021 Budget Schedule.

**CONSIDER COUNCIL/BUDGET RETREAT**

The City Manager explained that he was requesting input as to whether Council wanted to have a retreat in addition to a budget retreat to discuss big ticket items and strategic planning. –

Councilmembers Adams and Williamson explained that with a new Mayor and new Councilmember, it would be helpful to have a retreat separate from a budget retreat.

Following discussion, it was consensus of Council for the City Manager to pick some dates prior to the February budget process so that Council could determine a date.

The City Manager suggested that Council suggest potential topics.

**UPDATE ON SECOND STREET SAFETY CONCERNS**

Mr. Stacey McQuage, Public Utilities Director, explained that he had looked at Second Street. It is a dead end with tracks of a road onto private property. Staff installed a “Dead End Sign”; however, cannot put up barricades on private property. CSX Railroad installed a “Yield” Sign on its right-of-way; therefore the City cannot block private property.

**APPOINTMENTS**

**BOARD OF ADJUSTMENT**

Mayor Willis explained that Mrs. Linda Douglas’ term on the Board of Adjustment expires December 31, 2019. She would like to be reappointed.

Motion was made by Councilmember Evans, seconded by Councilmember Adams, and unanimously carried to reappoint Mrs. Linda Douglas to a three-year term on the Board of Adjustment.

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## **SCOTLAND COUNTY ECONOMIC DEVELOPMENT CORPORATION BOARD**

Mayor Willis explained that this appointment was to the Scotland County Economic Development Corporation (EDC) Board of Directors. Since the EDC's inception, the Mayor has traditionally served on this board, and he would like to serve.

Following a brief discussion, motion was made by Councilmember Garby to appoint Mayor Jim Willis to the Scotland County Economic Development Corporation Board of Directors. The motion was seconded by Councilmember Williamson, and the motion carried unanimously.

## **NORTH CAROLINA EASTERN MUNICIPAL POWER AGENCY ALTERNATE MEMBER**

The City Manager explained that he was the voting member of the North Carolina Eastern Municipal Power Agency (NCEMPA), and that former Councilmember Curtis Leak had been the alternate member to attend in the event he could not attend the meetings in Wilson.

Motion was made by Councilmember Evans, seconded by Councilmember Williamson, and unanimously carried to appoint Councilmember Don Rainer as the Alternate Member to the North Carolina Eastern Municipal Power Agency Board of Directors.

## **COMMENTS FROM MAYOR AND/OR COUNCILMEMBERS**

Mayor Willis stated that one of the things that make this area wonderful is our high school football team which made it into the Eastern Regionals. The team won 12 games and lost just three (3). The community is proud of our boys on that team and the standard of excellence they set.

Councilmember Adams thanked the ladies in the Police Department for the beautiful Christmas decorations.

The City Manager stated that Mrs. Shirley Howell was the main lady responsible and there will be something special done for her.

## **CLOSED SESSION**

At 8:11 p.m. motion was made by Councilmember Evans to go into closed session to consult with the attorney. The motion was seconded by Councilmember Rainer, and the vote was unanimous.

At 8:29 p.m. motion was made by Councilmember Evans to adjourn the closed session and return to the open meeting. The motion was seconded by Councilmember Garby, and the vote was unanimous.

## **MEDIATED SETTLEMENT**

**APPROVED**

Councilmember Williamson moved to approve the mediated settlement in for Adam Wright v. City of Laurinburg in the amount of \$20,000.00, and to authorize the City Manage to execute Agreement of Final Settlement and Release and the Agreement and General Release.

**ADJOURN**

Motion was made by Councilmember Evans, seconded by Councilmember Williamson, and unanimously carried to adjourn the meeting. The meeting adjourned at 8:30 p.m.

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James T. Willis, Mayor

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Jennifer A. Tippett, City Clerk