CITY OF LAURINBURG
CITY COUNCIL SPECIAL MEETING
MAY 20, 2025
CITY HALL AND POLICE DEPARTMENT
303 WEST CHURCH ST.
4:30 PM

Minutes

1. CALL TO ORDER

The City Council of the City of Laurinburg held its special meeting on Tuesday, May 20, 2025, in the Council Chambers of the City Hall and Police Department at 4:30 p.m. with the Honorable James T. Willis, Mayor, presiding. The following Councilmembers were present: Mary Jo Adams, Mary Evans, Rosemary Rainer, Barbara Rogers, and Andrew G. Williamson, Jr.

Also present were Charles D. Nichols III, City Manager; Harold W. Haywood, Administrative Services Director / City Clerk; Brooke Bathie, Administrative Support Assistant.

Mayor Willis called the meeting to order at 4:35 p.m. Councilmember Adams gave the Invocation and led the Pledge of Allegiance.

2. DISCUSSION OF FISCAL YEAR 2025-2026 BUDGET

a. Presentation of the Draft 5-year Capital Improvement Plan.

The City Manager stated that the City Clerk would present the draft 5-year Capital Improvement Plan to Council.

The City Clerk provided an update of the City's Capital Improvement Plan (CIP) to be considered, pending any revisions, at the June council meeting during the budget approval process. He explained that a CIP is a long-term plan for identifying the capital needs of the City over the next five years. He stated that the threshold for capital projects is defined as investments in non-disposable, tangible assets with an estimated life of more than one year and exceeding $5,000 in cost. He explained that what occurs in the first year of the plan is represented in the upcoming FY26 annual operating budget, then future years are meant to give a perspective on what is on the horizon so that the city can plan accordingly and help forecast needed revenues in the upcoming years. He stated that it lists the capital projects, replacement, and upgrading needs over the next five years as identified by the Department Heads, engineering consultants, and by City Council.

The City Clerk referenced the CIP development process currently used by the City. He explained that the goals and policies are reviewed at the City's annual council retreat, at public input sessions, at budget workshops, and within departments during the budget process to identify capital needs. He explained that departments submit these needs so that a consolidated document can be developed during the beginning of the calendar year and into early spring after working with vendors and engineers to determine costs. He stated that the City's goal is to apply for as many grants as possible to help meet some capital needs.

The City Clerk stated that the City has received significant funding from the state in the last few years, thanks to the Council and City Manager reaching out and working with state representatives, who have been extremely diligent in getting whatever funding they can approved in the state budget process for the City of Laurinburg. He stated that, when performing the utility rate studies on the Electric and Water/Sewer utilities, the consultants considered all the projected capital needs for those respective enterprise funds. He stated that the process of developing strategies to fund these projects is ongoing, as Council will continue to direct the prioritization of capital projects and revise the plan on an annual basis.

The City Clerk referenced a graph showing the trend of projected capital expenditure over the next five years, with the first three years representing between $1.5 million and $2 million worth of needs each year. He explained that there is the possibility to transfer some items from years two and three to year four, to level out the amounts needed over that time period.

The City Clerk referenced a list in the presentation of some of the main capital projects included in the general fund, stating that Public Safety is the most prominent. He stated that the Rescue and Fueling Facility are currently shared cost departments, whereby the county funds 50% of those operations and the City receives Powell Bill funding to help with streets and highways. The City Clerk stated that the remainder of revenue comes from the property taxes and sales taxes the City receives. He explained that the large amount dedicated to the Cemetery on the list for FY26 is to complete the road on the north side of Hillside Cemetery and will be paid for primarily with perpetual funds. He stated that much of the funding in Streets and Highways across all years is for the annual street resurfacing program and that the amount in FY27 is for the upgrades needed to the joint City-County fueling facility. He explained that the amount planned represents half of the projected cost of $800,000, assuming the County continues to fund half with the City.

Councilmember Adams asked the City Clerk why there is a large gap between FY26 and FY30. The City Clerk explained that the gap is due to a large piece of equipment, called a street sweeper, that will need to be purchased in FY30.

Mayor Willis asked if it was possible to transfer some of the money set aside for the City's sidewalk projects to an Airport project. Councilmember Adams stated that the Department of Transportation says that is not possible.

Councilmember Rainer asked why the cemetery fund dropped so suddenly each year. The City Clerk explained that the changes in the amounts were due to a truck needing to be purchased and a large project coming up.

The City Clerk referenced a graph showing the projected capital expenditure over the next 5 years for the Electric Fund, explaining that the biggest concern is the large amount of needs this coming fiscal year due to several large projects planned. The City Clerk stated that the major items included in Electric Operations are for upgrades to existing infrastructure, equipment replacements, and the Highway 401 Lighting Project projected at $500,000, with some funds allocated each year to replacing aging fiber infrastructure.

The City Clerk referenced a graph showing the projected capital expenditure for the Water and Sewer fund over the next five years, noting that the scaling is in $2 million increments. He stated that some of the projects funded by the state are already well underway and will fund a portion of the projects in the first three years, shown in the graph presented to Council. He stated that such projects include water distribution lines, raw water well renovations and expansion, renovations to wastewater pump stations, and potential wastewater treatment expansion. He explained that the amount of state funding was over $19 million in state direct appropriations and over $11 million in state ARPA funding. He stated that the city received low-interest loans for three large projects, along with an amount of over $26 million, and that debt service will begin next fiscal year. He explained that this highlights the necessity to not only fund ongoing operating expenses each year, but to make sure rates are set to be able to build cash reserves to handle future critical needs and debt service. The City Clerk referenced a list of the main Water and Sewer projects broken down by department and function. He stated that, even though the City has already received a significant amount of grant funding for several projects, the City will continue to pursue any available grant funding for eligible projects in the future. The City Manager stated that the City has taken part in revolving fund loans, allowing for large projects to be completed, but now must start paying those loans back.

The City Clerk referenced a graph showing the projected capital expenditure for the Solid Waste fund over the next five years. He explained that the current trend is rising costs, so the City continues to investigate other options for handling solid waste. The City Clerk referenced a list in the plan showing the main projects included in the Solid Waste fund, stating that they are mainly truck and equipment replacements in sanitation. The City Clerk referenced a graph showing the projected capital expenditure for all the funds combined over the next five years, explaining that the total capital needs for the next five years is approximately $66 million, of which some is offset by the $30 million received from the state for Water and Sewer. He stated that there is still a significant need to plan for what will still need to be paid from cash reserves, rate adjustments, or any additional grant funding the City receives.

Councilmember Williamson asked what the HWY 401 Lighting Project would entail. The City Manager explained that the project would extend from the dog park to the Mi Casita triangle and its purpose is to enhance the City's safe, well-lit community initiative. He stated that this project will also make the area more attractive for retail purposes. He explained that there has been no action from the DOT yet regarding this project, so the City plans to fund it until a State representative is able to assist with reimbursement funding.

Councilmember Rogers reiterated a recent line item she brought to Council's attention at a previous meeting regarding a community support program for small businesses. She asked how the Council could put the initiative into action without causing detriment to any of the funds already allocated to community development. The City Manager stated that the City has been in communication with Richmond Community College regarding a partnership, at no cost to the City, involving a small business training program that RCC already offers. He stated that the City would be able to help coordinate sessions of the program hosted at City Hall, or at any other location. He stated that RCC receives funding from the State to run this current program. The City Manager explained that the current organizations that receive funding from the City are required to provide a service in order to receive their funding. Council collectively discussed said organizations and their funding amounts, which are as follows:

$85,000 to the Humane Society
$48,000 to the EDC
$14,000 to the Chamber of Commerce
$4,000 to the Art Council
$7,500 to 'Tis the Season

Councilmember Rogers stated that she wants it on the record that she has no intent to reduce any organization or program's funding and only wishes to explore flexible options to potentially put this line item into action. The City Manager stated that Council can make a budget amendment in the future if necessary.

b. Presentation of Fiscal Year 2025-2026 Proposed Budget.

The City Manager provided a high-level presentation of the proposed FY2025 - 2026 budget. He stated that the total budget is now a little over $44 million, compared to it previously being $40.6 million. He explained that the main difference in the budget amount is due to the Water and Sewer fund, which increased from a stationary $8 million to $10.9 million. He stated that the City has 25 ongoing projects that are funded by revolving loans with 0% interest. He explained that the City did not have to start paying those loans off until the projects were completed, and now the majority of them have been, so the City's first debt payment is due next year. He stated that the first debt payment is approximately $1.5 million.

The City Manager stated that there is a proposed 5% cost of living adjustment, which will benefit the City's most valuable asset, its employees. He stated that this is the City's third year back with the same health insurance group, receiving positive feedback thus far, and will continue to increase the longevity contribution to focus on retention, in-house. The City Manager stated that there are six new positions within the City to accommodate the increase in Beautification needs. He stated that there are two Beautification positions for Hammond Park and the City is looking to add another tree crew, adding that the City has seen much success from the current tree crew since implementing that team. He explained that the tree crew has benefited Electric and Sewer right-aways, helped with Beautification, and has provided a less expensive and more organized year-round resource for the City.

The City Manager stated that the City's general fund has had a constant 40% tax rate for approximately 20 years and explained that this is very low compared to other cities, in an effort to offer manageable costs for citizens paying both City and County taxes. He explained that the current general fund balance is $388,000 and that the City has assigned $490,000 as the planned payment amount for the City Hall building, without increasing any property taxes and no decrease in services. He stated that the City has started its own foreclosure process, which has been a great success, and has already collected approximately $800,000 in additional funds through it. He explained that accounts that are paying County taxes but not City taxes are targeted during this process.

The City Manager outlined the list of capital items the City plans to complete. He stated that in Beautification, $130,000 is allocated to efforts such as continuing Hammond Park improvements, building and plot conversions to green spaces and other entities, and replacing infected crape myrtles. He stated that there is a plug number for Dicey Patterson's old house to potentially convert it to a downtown facility now that the asbestos has been safely removed. He stated that there is an estimated $300,000 to $400,000 cost associated with these improvements and potential construction. Mayor Willis explained that this price range would not be adequate for remodeling what exists on the property and that a demolition and rebuild would be a better fit for the budget. The City Manager also stated that a portion of the proposed budget will go toward a new section and new road on the north side of the new Hillside Cemetery.

The City Manager stated that the proposed fund allocated to the Police department is $234,000 for resources such as cameras, tasers, live scans, license plate readers, etc. He stated that there is $180,000 for three vehicles equipped with cameras and $21,000 for equipment replacements. The City Manager stated that in the Fire department's proposed fund, $110,000 is allocated for equipment replacements and $50,000 to remodel the South Station, which was built in the early 1980's. He stated that $250,000 is proposed for street resurfacing, $130,000 for equipment replacements on the streets, and a $50,000 plug is in the proposed fund for the Commonwealth Bridge closure. He stated that the City needs to work with CSX and the DOT regarding this closure, and that the City will have to pay 20% of the cost if it moves forward.

Councilmember Adams asked if the proposed funds mentioned were part of the Powell Bill or if they were an addition. The City Manager explained that the Powell Bill goes toward the entire street budget and that they send what the allocated amount is, which is based on the street mileage, but the City must contribute to it as well.

The City Manager stated that $50,000 is proposed for Streets and Stormwater improvements. Mayor Willis asked what implications unexpected stormwater issues, such as intense flooding, might have on the budget and where those funds are located. The City Manager explained that situations such as that would involve the Sanitation portion of the budget and is just a plugged number as a precaution for if or when that happens. Councilmember Rainer asked how it is decided which streets are to be resurfaced. The City Manager explained that the City hires an outside consultant to assess all of the City streets, rating them from top to bottom. He stated that the latest report was updated about three to four years ago.

The City Manager stated that the proposed budget allocates $103,000 for garage equipment replacements and $15,500 for the November 2025 County elections. He stated that there is no proposed rate increase for the Electric fund and the services will continue as they are, that the City will need to continue to try to get equipment replacements and area light conversions done, and that there is $125,000 proposed for load management updates such as purchasing a digger.

The City Manager stated that $75,000 is proposed for new meters as needed, $50,000 is proposed for Scotia Village, $500,000 is proposed for the Lighting Project with hopes of a reimbursement from the DOT, and $660,000 is proposed for Fiber in the core of downtown. He stated that, per the five-year rate study plan, there is to be a 15% rate increase for Water and Sewer entering the third year of the plan in FY2026. He stated that the City will need to transition from an $8.6 million budget to an $11 million budget due to the four revolving loan capital project funds. He explained that, in the first year, the City has a $1.6 million debt service and that one of them is a five-year loan of about $500,000, while the other three are 20-year financing.

The City Manager stated that water production and capital for treatment plant generators, pumps, piping, etc. has a proposed budget of $465,000 and that water distribution capital for tools, meters, and water line repairs has a proposed budget set at $685,000. He added that the proposed budget for sewer line repairs is $40,000 and that all of these amounts may vary depending on issues that may arise in the future. He stated that wastewater treatment capital pumps and improvements has a proposed budget of $240,000.

The City Manager stated that the City is exploring all options to reduce the solid waste fund and that he has spoken with the County Manager to find stability and consistency in the process that currently involves moving it to the County transfer station, then the County taking it to the landfill. He stated that the City has looked at building an in-house transfer station and that longer-term rates are needed to keep them as low as possible. He added that $166,000 has been appropriated in the proposed budget and that most of those funds go to new trucks. He stated that $191,000 is proposed for equipment replacements, $115,000 is proposed to construct a new pole shed, and that there is a plug number for new dumpsters.

3. COMMENTS FROM MAYOR AND/OR COUNCILMEMBERS

The City Manager stated that, after following up on the previous citizen input session, improvements have been made for Ms. Brown on Anne Street, he has addressed Ms. Campbell's concern regarding the plaque at the North Fire Station, he has been in communication with Mr. Bishop McDuffie concerning the family cemetery and how the City can assist, and he stated that the partnership process has begun between the City and RCC for the small businesses program.

Councilmember Rainer mentioned that hurricane season is coming up soon and asked if there was any way the City can ensure that all of the ditches are looked at and cleaned to prepare for that. The City Manager stated that the City can do that, but only for the ditches the City has jurisdiction over. He stated that the increase in budget costs is a result of adding new supervisors and performing more work in Beautification. He stated that the City is working to be as prepared in the planning process as possible for events such as hurricanes.

4. ADJOURNMENT

Mayor Willis adjourned the special meeting at 5:43 p.m.

James T. Willis, Mayor

Harold W. Haywood, City Clerk