

**CITY OF LAURINBURG  
CITY COUNCIL SPECIAL MEETING  
FEBRUARY 17, 2026  
CITY HALL AND POLICE DEPARTMENT  
303 WEST CHURCH ST.  
5:00 PM**

**Minutes**

**1. CALL TO ORDER**

The City Council of the City of Laurinburg held its special meeting on Tuesday, February 17, 2026, in the Council Chambers of the City Hall and Police Department at 5:00 p.m. with the Honorable James T. Willis, Mayor, presiding. The following Councilmembers were present: Mary Jo Adams, DeMarco Allen, James McLean, Rosemary Rainer, and Andrew G. Williamson, Jr.

Also present were Charles D. Nichols III, City Manager; Amanda K. Futrell, City Clerk; Brooke Bathie, Deputy City Clerk; Harold W. Haywood, Budget & Management Services Director; Walker McCoy, Community Development Director; Jennifer McGirt, Finance Director.

Mayor Willis called the meeting to order at 5:01 p.m. Councilmember Williamson gave the Invocation and led the Pledge of Allegiance.

**2. COMMENTS FROM MAYOR WILLIS**

Mayor Willis explained that this is the annual Special Meeting held to begin the budget process. He stated that the agenda includes a section designated for public input, during which citizens are encouraged to share their priorities and concerns so that Council and the City Manager may better understand the interests of the community. He added that he has come to recognize that the budget process is one of the most effective ways to influence policy and set priorities for the City.

**3. INPUT FROM THE PUBLIC**

No one was present to provide public input.

**4. DISCUSSION OF FISCAL YEAR 2026-2027 BUDGET TOPICS/PRIORITIES**

The City Manager stated that any citizen wishing to provide input is encouraged to contact City Hall or email him at [cnichols@laurinburg.org](mailto:cnichols@laurinburg.org), noting that all thoughts, ideas, and concerns are welcome for Council's consideration. He then provided a high-level overview of the City's budget, explaining its structure and the primary sources of revenue. He clarified that the budget cycle follows the fiscal year, which begins July 1st and ends June 30th. The City Manager added that the current fiscal year budget will conclude on June 30, 2026, and the Fiscal Year 2027 budget will take effect on July 1, 2026.

The City Manager stated that the current budget totals approximately \$44–\$45 million and is divided among the City's four funds: the General Fund, Electric Fund, Water and Sewer Fund, and Solid Waste Fund. He explained that the General Fund, which contains approximately \$11–\$12 million in revenue primarily from property and sales taxes, supports non-utility operations such as the Fire and Police Departments, Community Development, and Public Works. He further outlined the three Enterprise Funds, noting that the Electric Fund is the largest at approximately \$18 million, followed by the Water and Sewer Fund at approximately \$11 million, and the Solid Waste Fund at slightly more than \$3 million. The City Manager then began the formal budget presentation, which included a review of rates and property taxes that is updated annually or as needed.

The City Manager compared the City's property tax rate with those of surrounding municipalities in the region, explaining that the City of Laurinburg maintains a tax rate of 40 cents per \$100 of assessed property value. He noted that, locally, only Southern Pines and Pinehurst have lower property tax rates than Laurinburg. He emphasized that the City strives to maintain a lower rate in recognition that residents are responsible for both City and County property taxes. The City Manager further explained that the City does not generate the same level of revenue per tax cent as some neighboring municipalities, noting that one cent of Laurinburg's tax rate generates approximately \$90,000 in revenue, compared to approximately \$600,000 per cent in Pinehurst and \$180,000 per cent in Aberdeen. Mayor Willis commented that those values reflect positively on the City, and the City Manager agreed, stating that the City is maximizing the revenue generated from the current 40-cent rate.

The City Manager then provided a brief overview of fluctuations in the City's property tax rate throughout the 2000s, noting that the rate has remained at 40 cents since it leveled out. Mayor Willis asked the City Manager to clarify that the figures would likely appear different in the upcoming year. The City Manager confirmed this and explained that property revaluation notices would be mailed to citizens in February. He added that the City does not determine property values, explaining that assessments are conducted by the County Tax Department. The City

Manager also noted that the County provides a formal appeal process for property owners who disagree with their assessed values.

Mayor Willis asked what would constitute an appropriate justification for a potential tax increase so that Council could clearly explain to the public the reasons for any rate adjustments. The City Manager stated that the City's Finance Department could provide a written explanation outlining the need for any proposed changes. He reiterated that City residents already carry the additional responsibility of paying both City and County property taxes. He also noted that the City has successfully utilized state and federal grant funding, including support from the Golden LEAF Foundation and the Federal Emergency Management Agency (FEMA) to complete projects such as the new Fire Department building, rather than relying solely on property tax revenue.

Councilmember Adams stated that, during a recent meeting of the North Carolina League of Municipalities, she learned that a House Select Committee is currently examining property tax reduction and reform. She added that the State Senate also has a study committee conducting a detailed review of how eliminating property taxes could negatively affect municipalities across North Carolina, many of which rely heavily on property tax revenue in their General Funds to support public safety services. Councilmember Adams stated that she could share the information with Council as a reference when communicating with state representatives about the potential ramifications of eliminating property taxes, not only for the City but also for senior citizens and other residents who have been significantly affected by inflation in recent years. The City Manager emphasized Councilmember Adams' point, noting that a replacement revenue source would be necessary if property taxes were eliminated and that such a change could potentially impact the County more significantly than the City. He also noted that sales tax revenue serves as another major contributor to the City's General Fund.

The City Manager noted that the City's Electric Rates Report is continuously updated to monitor the City's competitive standing. He explained that, based on an average household usage of 1,000 kilowatt-hours, the City's primary competitors are Duke Energy, Lumbee River Electric Membership Corporation, and Pee Dee Electric. He stated that the City's electric rates are currently lower than those of Lumbee River EMC and Duke Energy, while Pee Dee Electric's rates are approximately three dollars lower than the City's. He explained that the City's average residential electric bill is approximately \$133 per month, compared to about \$130 with Pee Dee Electric. The City Manager stated that Council would continue the discussion at the upcoming Regular Meeting because the City has recently been assessed a wholesale power rate increase. He explained that the City has been tracking incremental wholesale power cost increases since the most recent rate adjustment several years ago.

The City Manager further explained that electric rates across the region are expected to increase as Duke Energy recently announced a series of gradual rate increases over the next several years. He stated that the company implemented an 8.3% retail rate increase in 2025, which is to be followed by two planned 3.3% increases in 2026, a 10.9% increase in 2027, and a 4.1% increase in 2028. He clarified that these retail increases do not directly apply to the City's electric rates because the City purchases power at a wholesale rate; however, the City will experience an initial 4.5% wholesale rate increase beginning in April 2026. The City Manager added that Governor Stein has been in contact with the North Carolina Utilities Commission regarding Duke Energy's planned rate increases. He reiterated that the City's electric rates remain lower than Duke Energy's retail rates and those of Lumbee River EMC, while remaining comparable to Pee Dee Electric's rates. The City Manager also noted that nearby municipalities such as Lumberton and Red Springs, both of which are ElectriCities members, have electric rates that are aligned with the City's current rate structure.

The City Manager continued his overview of the City's electric rate adjustment history, outlining previous decreases and increases and highlighting a rate reduction that occurred in 2015 following the City's asset sale. He explained that the 32 eastern municipal members of the North Carolina Eastern Municipal Power Agency previously held ownership interests in three power plants that carried significant associated debt. He stated that NCEMPA was able to sell both the debt and ownership of the power plants to Duke Energy, which allowed the member cities, including Laurinburg, to reduce electric rates and remain more competitive than Duke Energy's retail rates. The City Manager noted that the rate reduction occurred in two phases once NCEMPA was relieved of that debt. He further explained that after rate decreases in 2015 and 2017, the City did not adjust electric rates again until a rate study was completed in 2024. He stated that the study recommended a 13.9% increase to bring the City's rates back in line with industry standards, and rates have remained unchanged since then. The City Manager stated that the upcoming rate adjustments being considered are tied to the first round of wholesale power increases, which Council would discuss further at the Regular Meeting to determine whether to implement a small percentage increase in April 2026 or consider a larger adjustment at a later time.

The City Manager then discussed the City's Water and Sewer Rate Evaluation, noting that the average monthly household usage for water and sewer services is approximately 5,000 gallons. He provided a comparison between the City of Laurinburg and nearby municipalities including Lumberton, Southern Pines, Moore County, and Red Springs, stating that Laurinburg's average monthly cost per household is approximately \$79 compared to about \$80 in the surrounding communities. He noted that each of these municipalities, including Laurinburg,

obtains water from deep well aquifers and that the associated treatment processes and operational costs are comparable. The City Manager added that the City conducted a five-year water and sewer rate study and implemented a series of planned increases because the rates had been so low that the City was not eligible for certain grant funding opportunities. He concluded that even after three years of gradual increases, the City's water and sewer rates remain lower than those of surrounding municipalities.

The City Manager clarified that all the information presented is available to Council at any time to assist in responding to citizen questions. He noted that a recurring challenge for the City is that monthly utility bills include a combined total for multiple services, including electricity, water, sewer, and solid waste. He stated that, as a result, when residents view their bill, the total amount reflects the cost of all services rather than a single utility, causing some confusion. Mayor Willis stated that he recently read in The Charlotte Observer about a private water company operating in North Carolina that had proposed a rate increase despite already having relatively high water bills. He added that the company cited the need for capital improvements as the reason for the proposed increase, though regulators in Raleigh have recently placed a hold on the request.

The City Manager explained that the North Carolina Utilities Commission is responsible for regulating planned utility rate increases and other related matters. He noted that many recent and anticipated rate adjustments across the state have been influenced by the state's carbon-neutral energy requirements established through the North Carolina Carbon Plan adopted in 2021. He stated that the initiative, supported by Governor Cooper, requires a transition away from coal-based power generation, targeting a 70% reduction by 2030 and a 100% reduction by 2050 in favor of renewable energy sources. The City Manager emphasized that the transition would require substantial investment in new infrastructure and that increasing demand for renewable energy could accelerate the planned implementation timeline.

Councilmember Allen asked whether the rate adjustment process would be lengthy. The City Manager reiterated that an approximate 3.5% increase is anticipated this year, followed by a 10.9% increase in 2027 and a 4.1% increase in 2028, which have already been announced by Duke Energy. He added that Duke Energy is also working on an internal utility merger known as "1-U," which would combine Duke Energy Carolinas and Duke Energy Progress. He explained that both entities operate under Duke Energy but currently maintain different rate structures, with eastern service areas generally having lower rates than western service areas. The City Manager stated that the merger is intended to improve efficiency and noted that the City of Laurinburg is closely monitoring any potential changes that may result.

Councilmember McLean asked whether the slides presented by the City Manager would be made available on the City's Facebook page. The City Manager confirmed that the presentation would be posted online and noted that hard copies are also available to the public.

Mayor Willis commented that the City's utility services operate very efficiently and highlighted the strong response times during service issues. The City Manager agreed and stated that he could prepare a response time report comparing the City's performance with that of surrounding utilities if Council wished to review it. He added that while the presentation had concluded, he could gather additional information on any initiatives or concerns Council may have, including property tax comparisons with other municipalities. Councilmember Williamson stated that much of that information would depend on updated property evaluations. The City Manager confirmed this, noting that while final figures are not yet known, there is an estimated projection of a 60% increase in property values and uncertainty regarding how many property owners may dispute their assessments.

The City Manager concluded by reiterating that members of the public are encouraged to contact him with any issues, concerns, ideas, or other suggestions related to improving City services.

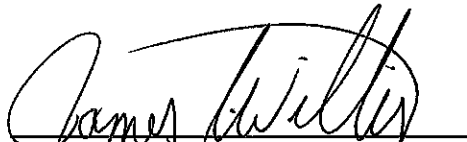
#### **5. COMMENTS FROM MAYOR AND/OR COUNCILMEMBERS**

There were no comments made by Mayor Willis or members of Council.

#### **6. ADJOURNMENT**

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

The meeting was adjourned at 5:38 p.m.

  
James T. Willis, Mayor

  
Amanda K. Futrell, City Clerk