

**CITY OF LAURINBURG  
CITY COUNCIL MEETING  
MARCH 17, 2026  
CITY HALL AND POLICE DEPARTMENT  
303 WEST CHURCH ST.  
6:00 PM**

**Minutes**

**1. CALL TO ORDER**

The City Council of the City of Laurinburg held its regular meeting on Tuesday, March 17, 2026, in the Council Chambers of the City Hall and Police Department at 6:00 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; William P. Floyd, Jr., City Attorney; Amanda K. Futrell, City Clerk; Brooke Bathie, Deputy City Clerk; Harold W. Haywood, Budget & Management Services Director; Jennifer McGirt, Finance Director; Walker McCoy, Community Development Director; Mac McLinnis, Planning and Zoning Officer; Dixon Medlin, Treatment Plants Director; Jerry L. Bruner, Attorney.

Mayor Willis called the meeting to order at 6:00 p.m. Councilmember Adams gave the Invocation and led the Pledge of Allegiance.

**2. APPROVAL OF AGENDA**

Mayor Pro Tem Rainer moved to approve the agenda, with a second by Councilmember Adams, and the vote was unanimous.

**3. PUBLIC COMMENT PERIOD**

Ms. Carrie Hill, of North Caledonia Road, addressed Council regarding the electric rate schedule. Mayor Willis consulted with the City Attorney, who confirmed that the appropriate time to discuss the electric rates schedule would be at the public hearing.

Mr. Tom Draper, of Montrose Lane, addressed Council regarding the special use permit request for Dundee Drive. Mayor Willis stated that the appropriate time to discuss the special use permit for Dundee Drive would be at the public hearing.

#### 4. CONSENT AGENDA

Mayor Willis read aloud the Consent Agenda:

- a. Consider the approval of the draft minutes for the February 17, 2026, Special Meeting and Regular Meeting.
- b. Set a public hearing for Tuesday, April 21, 2026, at 6:00 p.m. to consider amending Article 7 Supplemental Regulations, Section 7.47 Substance Abuse Treatment Center/Office, Sub-section 7.47.2 of the City of Laurinburg Unified Development Ordinance.
- c. Consider Resolution No. R-2026-03 Awarding Key to the City to Bobby Clark, Sr.
- d. Consider Resolution No. R-2026-04, Finding of Facts, for a request to rezone 18200 Wagram Road (Parcel No. 0203060100704) from Residential-20MH to General Business.
- e. Consider designating the City Manager as the Voting Delegate for the North Carolina League of Municipalities Board of Directors electronic election process.
- f. Consider the application to use the shelter facility at Hammond Park by an individual for a private event on July 25, 2026, from 9:00 a.m. until 2:00 p.m.
- g. Consider the application to use the shelter facility at Hammond Park by an individual for a private event on May 16, 2026, from 10:00 a.m. until 3:00 p.m.

Councilmember Adams moved to approve the Consent Agenda. Mayor Pro Tem Rainer seconded the motion, and the vote was as follows:

Ayes — Adams, Allen, McLean, Rainer, Williamson

Nays — None

(Copy of Resolution No. R-2026-03 and Resolution No. R-2026-04 on file in the Clerk's office)

## 5. PUBLIC HEARING

- a. Consider a request for a Special Use Permit for Parcel No. 01006707001 on Dundee Drive.

Mayor Willis opened the Public Hearing to consider a request for a Special Use Permit for Parcel No. 01006707001 on Dundee Drive and explained the order of events for the public hearing.

The City Attorney requested that Attorney Jerry Bruner preside over the public hearing due to a personal conflict of interest involving the City Attorney and the applicant. The City Attorney then provided an overview of the quasi-judicial hearing process. He explained that Council typically considers two types of hearings in its deliberative process: legislative hearings and quasi-judicial hearings. He stated that legislative hearings, such as those related to rezoning matters, allow Council to receive and consider a broad range of information and evidence from any interested party. He further explained that quasi-judicial hearings are more limited in scope, with Council acting in a role similar to a panel of judges. The City Attorney noted that, in such hearings, testimony is provided under oath and must constitute competent evidence regarding the feasibility or applicability of issuing a special use permit. He emphasized that Council's decision must be based solely on the evidence presented during the hearing, rather than personal knowledge or external information.

Mayor Willis stated that all who wish to testify must be sworn in by the City Clerk and provide their name and address for the record.

Planning and Zoning Officer Mac McInnis was sworn in by the City Clerk.

Mr. McInnis explained that the request is for a special use permit to develop a seven-building, 14-unit multifamily residential project on Dundee Drive. He stated that the parcel is 1.928 acres and is zoned Residential-6 (R-6), which allows for multifamily development. He noted that this project consists of more than seven units, so it is required that Council grant a special use permit to proceed. Mr. McInnis stated that the application is complete and contains a preliminary site plan that meets all zoning requirements for the R-6 zoning district, adding that the development is consistent with the City's adopted Land Use Plan. He stated that the Planning Board heard the request on February 10th and voted 4-2 to recommend approval by City Council.

Mayor Pro Tem Rainer asked to clarify that, if they had seven units, there would be no need for a special use permit. Mr. McInnis stated that if there were six units there would be no need for a special use permit. Mayor Pro Tem Rainer

then asked Mr. McInnis to clarify that there is enough area within the parcel for seven units. Mr. McInnis clarified that the request is for seven buildings and 14 units, adding that there can only be six units without a special use permit, and the requester wants to construct 14 units.

Mayor Willis stated that considerations for this site had previously come before Council under a different owner.

Councilmember Adams asked Mr. McInnis if the City would require any buffers for this special use permit. Mr. McInnis stated that it would be reviewed once the site plan is finalized, adding that limited buffering is necessary between residential land uses. He further explained that this parcel is directly behind Sherbrooke Circle and will eventually be a part of the Sherbrooke neighborhood. He added that there would be some buffering where it separates, behind the properties on Montrose Lane.

Mayor Willis called upon anyone who wished to speak in favor of the request.

Comments in favor of the request

Attorney Bill Purcell, representing Cole Investment Properties, LLC, introduced Mr. Scott Cole in support of the request, noting that Mr. Cole was present to provide testimony regarding his proposed plans. Mr. Purcell referenced Mayor Willis' earlier statement that a similar request had previously been approved by Council but had expired prior to Mr. Cole's acquisition of the property, preventing the project from moving forward within the required timeframe. He stated that the current proposal is similar to the prior approval but includes the addition of one building containing two units at the rear of the property, with access limited to the Sherbrooke neighborhood. He further explained that the prior proposal was intended for rental development, whereas the current proposal is intended for potential owner-occupied units. Mr. Purcell noted that the Sherbrooke Homeowners Association would be involved and that the development would be subject to its governing rules. He also referenced a letter from local Realtor Jacque O'Neal, stating that she did not anticipate the project would have a negative impact on surrounding property values.

Mr. Scott Cole was sworn in by the City Clerk.

Mr. Scott Cole, of Loch Lomond Drive, addressed Council in favor of his request for a special use permit. He reiterated Mr. Purcell's comments by providing a brief background of the permit history of the property. He stated that he bought the parcel approximately two months before the special use permit expired, explaining that you have one year from the date of the special use permit to begin work. Mr. Cole stated that once he saw the plans for the development, he

decided to make adjustments to align with his target audience, which was not the rental market. He stated that he received advice from various realtors that single-story properties with a garage, like Shadow Woods, are in high demand. He explained that he asked Sherbrooke to accept it as a part of their establishment for maintenance and upkeep purposes such as lawn care and exterior maintenance, so that it all falls under Sherbrooke's jurisdiction, so for senior citizens it would be a low-maintenance housing setup. Mr. Cole reiterated that there is a high demand for these types of properties due to an affordable housing shortage, adding that the units would be 1,322 square feet and would potentially sell for between \$180,000 - \$200,000. He clarified that they would be built one at a time and would be up for sale, not for rent. He explained that each unit would be assessed for adjustments that might need to be made to each additional unit built, as needed, and stated that his goal is to pre-sell each unit and build them throughout an anticipated five-year process. Mr. Cole stated that he anticipates the seventh building to be at the back of the property to avoid interference with Dundee Drive driveways, noting that it would be one of the last buildings developed. He added that the seventh building is an option he would like to keep available by receiving approval for the special use permit now, so he does not need to come back to Council at a later date for approval once the project begins. Mr. Cole reiterated Mr. McInnis' statement that this parcel is zoned R-6, which allows for this type of development and requires a special use permit for any development with more than six buildings. He added that this potential establishment would be a financial benefit to the City, assuming that the 14 units produce roughly \$10,000 in property taxes each year and \$200 per unit in utilities each month, which would generate approximately \$33,000 per year in utility revenue for the City. Mr. Cole reiterated that the Planning Board recommended approving this request, and stated that one of their main objections was the safety of the residents who walk on Dundee Drive, with new driveways becoming a hindrance. He explained that he visited the site and assessed the location of the 12 driveways that would be added, along with their potential impact, adding that there are 13 driveways on Montrose Lane and 20 driveways on Vance Street, which is the same length as Dundee Drive. He stated that he presented those statistics as a possible understanding that 12 driveways for the proposed establishment would not be uncommon within the City of Laurinburg.

Councilmember Adams asked whether there was a possibility that two of the buildings would face Sherbrooke. Mr. Cole clarified that two of the units would face Sherbrooke, not two of the buildings. Councilmember Adams referenced the note in the Planning Board report that mentions the two buildings that could potentially face Sherbrooke. Mr. Cole stated that the note resulted from objections made by nearby residents that requested fewer developments on Dundee Drive, adding that it does not seem feasible.

Councilmember Allen asked to clarify that the photo presented portrayed one building, composed of two units. Mr. Cole confirmed that it was and explained that the image showed one garage on the right and one garage on the left for two different residences, with two bedrooms and 1,300 square feet on each side. He added that each unit is single story with a 1.5-car garage to allow for storage for residents who would like the option.

Councilmember Williamson noted that the image portrayed two driveways side by side for each property, stating that it appears the layout would entail six double driveways. Mr. Cole confirmed this, explaining that there would be six different driveway locations directly connecting to the roadway.

Councilmember Allen asked if there would be a sidewalk throughout the complex. Mr. Cole stated there are no sidewalks on the plans, adding that he is unaware of any sidewalks in that area.

Councilmember Adams asked if Mr. Cole would provide the landscaping. Mr. Cole confirmed that landscaping and maintenance would be provided, similarly to the process at Sherbrooke. He stated that there is irrigation access at Sherbrooke and the new establishment would be obliged to maintain consistency with the area. He explained that his reasoning for adding onto Sherbrooke is to provide a no-maintenance living situation, with access to amenities such as the pool.

Mayor Willis asked if the homeowners would pay the appropriate dues. Mr. Cole confirmed that they would pay the homeowners dues, adding that the dues are \$131 per month.

Mayor Pro Tem Rainer asked to clarify that Mr. Cole is requesting the special use permit now so that he will not need to come back to Council at a later date and that he is going to start off with one building, containing two units, but would end up with 14 units in total. Mr. Cole confirmed this and explained that the reasoning also pertains to the proposed layout and quantity of the buildings, adding that the intent is to construct six buildings, while leaving the possibility of a seventh if there is a demand for more space in the future.

The City Manager stated that once a special use permit is activated, there is a six-month deadline to begin construction, along with a six-month extension. Mayor Willis asked if he would have the option to wait if he wanted to go into recession. The City Manager stated that he can, as long as the construction has begun. He added that the last time his request was brought before Council, there were last-minute site plan alterations, and the turnaround time was too quick to begin construction.

Mayor Willis asked if there were any further questions from Council. He then called upon anyone wishing to speak in opposition to the request.

Mr. Bruner reiterated that this was a quasi-judicial hearing, similar to a court hearing, meaning Council must not consider "lay opinion" evidence, such as traffic concerns that are not backed up by studies, as that would not be considered competent evidence.

Comments in opposition to the request

Mr. Thomas Draper was sworn in by the City Clerk.

Mr. Thomas Draper, of Montrose Lane, spoke in opposition to the special use permit request. He stated that he aims to ensure that the condo association and the developer comply with the North Carolina Condominium Act, Chapter 47C-2-121. Mr. Draper briefly summarized the Chapter for Council, stating that an outside developer who owns adjacent land cannot simply join the condominium association as a member, unless the land is legally incorporated into the condominium through formal process. He continued that the outside developer could petition to merge new builds into the existing condo association but a formal merger or consolidation agreement is required. He added that the agreement must be approved by the unit owners, not the Board, often requiring strict voting requirements, and must be recorded in the County to be effective, which would call for a change in the Sherbrooke declarations. Mr. Draper concluded by asking that Council investigate the total process prior to making a decision to ensure the developer and Sherbrooke are in compliance with the North Carolina Condominium Act 47C.

Mayor Willis asked if Council had any questions for Mr. Draper. There were none. Mayor Willis asked both Mr. Cole and his attorney if they would like to address Mr. Draper's concerns.

Comments in favor of the request

Mr. Purcell stated that the Sherbrooke development does not meet the legal definition of a condominium and therefore is not subject to the North Carolina Condominium Act. He added that the application is permitted under the applicable ordinance, and that a special use permit is required only to accommodate additional units exceeding the number permitted under the ordinance. He referenced a prior condominium development in Scotland County and noted that condominium regulations are complex and subject to extensive statutory requirements. Mayor Willis requested clarification regarding the distinction between a condominium and the type of development classification

applicable to Sherbrooke. Mr. Purcell explained that condominium ownership typically involves purchasers owning an undivided interest in the overall property in addition to their individual unit. He contrasted this with townhouse ownership in Sherbrooke, where purchasers own only their individual townhouse unit and share a party wall agreement with adjacent owners. He further explained that common areas within the development are owned and maintained by the developer or a managing entity, rather than by individual unit owners, thereby avoiding the regulatory framework associated with condominium ownership.

Councilmember Adams asked what that type of establishment was called. Mr. Purcell stated that it is a planned unit development, meaning the owners have agreed to enter into a Homeowners Association (HOA) that has certain rules and manages certain public facilities. He continued that, in a condominium, the developer creates all of those rules, and you buy into those rules and are bound by them, so the rules of ownership are different for each type of property.

Mayor Willis stated that the statute Mr. Draper quoted is not applicable in this case. Mr. Purcell affirmed Mayor Willis' statement. Councilmember Adams asked for further affirmation of this statement from Attorney Bruner. Mr. Bruner stated that, to his understanding, Sherbrooke is not a condominium, so the statute would not apply, and added that Sherbrooke has already agreed to a future partnership with the proposed establishment. Mr. Purcell referred to Mr. Draper's comments, stating that a condominium involves ownership of shared areas on the property, whereas a planned unit development involves developer-owned common areas that are still utilized by residents. Mayor Willis asked to clarify that these new units would become part of the HOA. Mr. Purcell confirmed that is correct, stating that the new development will share responsibilities with Sherbrooke for maintaining the common areas, exterior, and landscaping.

Mayor Willis asked if there was anyone present who wished to provide rebuttal evidence, and there was none. He then provided an opportunity for the applicant and the opposing party to provide closing remarks supporting their case. Mayor Willis noted that neither party wished to do so, so he opened the floor for Council deliberation, final questions, or a motion.

Councilmember Adams asked Mr. Bruner if the difference between a condominium and a planned unit development was applicable when discussing this special use permit application. Mr. Bruner stated that it is not a necessary consideration when discussing the mechanisms of the new establishment coexisting with Sherbrooke.

Councilmember Adams moved to approve the request for a Special Use Permit for Parcel No. 01006707001 on Dundee Drive, because:

- (1) The Residential 6 district is established to allow a variety of medium density residential uses such as single-family residences, two-family residences, and multi-family residences at a density of 7 to 12 units per acre.
- (2) The Comprehensive Plan 2035 Future Land Use Map indicates General Residential development, which includes in the desired uses: Single-family residential , multi-family residential, Office and Institutional, and Recreational.
- (3) Applicable Zoning Classifications are: R-6 / R-6 MH, R-15, and Office Institutional Zoning Districts.

Councilmember McLean seconded the motion. Without any additional formal discussion, the vote was unanimous.

Mayor Willis closed the Public Hearing.

The City Attorney resumed his position.

- b. Consider amendments to the Electric Rate schedules.

Mayor Willis opened the Public Hearing.

The City Manager referenced Council's prior review of proposed electric rate updates. He explained that the North Carolina Eastern Municipal Power Agency (NCEMPA), operating under ElectriCities, serves as the City's power agency and consists of 32 member municipalities that collectively purchase wholesale power from Duke Energy. He noted that the City operates under a Full Requirements Power Purchase Agreement (FRPPA), which permits adjustments to wholesale power rates based on factors such as fluctuations in natural gas costs. He reported that on January 27, 2026, NCEMPA approved a 4.5% wholesale power rate increase for all member municipalities. The City Manager stated that, as a result, the City's cost of power will increase by 4.5% effective April 1, 2026, independent of Council action. He further explained that the rate increase is associated with the implementation of the 2021 carbon-neutral plan, which has received support at the state level, and that with the year 2005 as the baseline, the plan establishes goals to reduce carbon emissions 70% by 2030 and achieve 100% carbon neutrality by 2050. The City Manager added that this initiative includes the phased elimination of coal-fired power plants across North Carolina and will require significant infrastructure investments in alternative energy sources such as solar, wind, and nuclear power.

The City Manager stated he would review high-level informational slides, prefacing that any proposed rate increases must be submitted to the Utilities Commission for approval. He reported that Duke Energy has published its projected rate adjustments, including a 3% retail rate increase implemented at the beginning of 2026, a planned 10.9% increase in 2027, and a projected 4.1% increase in 2028. The City Manager clarified that these retail rate increases would not directly impact the City's electric rates, as the City purchases power at the wholesale level. He reiterated that the applicable change for the City is the previously noted 4.5% wholesale rate increase effective April 1, 2026. He then reviewed historical rate fluctuations experienced by the City since 2005, noting that increases were indicated in white and decreases in red within the presentation materials. The City Manager further stated that a rate study conducted in April 2024 resulted in a significant rate increase due to the absence of incremental adjustments over time, which had previously been absorbed by the electric fund. He explained that, following the rate study, Council adopted an approach of implementing incremental rate increases in future scenarios to avoid the need for substantial, one-time adjustments.

The City Manager noted that the figure presented on the current slide did not include the 3% retail rate increase implemented at the beginning of 2026. He explained that the presentation utilizes the current rate for an industry-average customer consuming 1,000 kWh per month and added that the City's median customer usage is approximately 830 kWh per month. He outlined that the proposed 4.5% wholesale rate increase would result in an approximate \$6.03 increase in a customer's monthly bill. The City Manager presented a comparison of the City's current rates to the proposed rates effective April 1, 2026, if approved by Council, stating that the average monthly bill would increase from \$133.41 to \$139.44. He reiterated that, as discussed at a prior meeting, the City's electric rates remain lower than those of Duke Energy and Lumbee River EMC. He further noted that the 3% retail rate increase, which was not reflected in the presentation, would result in an average monthly bill increase from approximately \$139 to \$144. The City Manager emphasized that, despite purchasing power at the wholesale level, the City's retail rates would remain lower than those of Duke Energy and Lumbee River EMC. He also clarified that Lumbee River EMC and Pee Dee Electric would experience similar rate increases, along with 31 other municipalities subject to wholesale rate adjustments established by Duke Energy.

The City Manager referenced the City's 2025 audit, which was previously presented, and highlighted certain financial performance indicators identified as concerns requiring a formal response. He explained that the Electric Fund was noted as an area of concern due to insufficient unrestricted cash reserves to meet local government requirements. He added that, as a result, the City was required to submit a response to the Local Government Commission (LGC),

which was approved by Council at the prior meeting. The City Manager further stated that, following the 2026 audit, if the proposed rate increases are not implemented, revenues would remain unchanged while expenses would increase by 4.5%. He explained that this imbalance would have a negative financial impact on the Electric Fund and would likely be cited again by the LGC in the subsequent audit cycle.

Mayor Willis inquired whether Duke Energy's retail rate increases require approval. The City Manager confirmed that such increases must be approved by the Utilities Commission. He explained that Duke Energy has implemented and proposed retail rate increases over a five-year period, including 8.3% in 2024, 3.3% in 2025, 3% in 2026, a planned 10.9% increase in 2027, and a projected 4.1% increase in 2028. He noted that each proposed increase must be submitted to the Utilities Commission with supporting justification. The City Manager further stated that the State of North Carolina has established requirements for Duke Energy to achieve carbon neutrality within a specified timeframe, necessitating significant investment in infrastructure and energy assets. He added that Governor Stein has requested that the Utilities Commission not approve a cumulative 15% rate increase over the next two years. The City Manager reiterated that these retail rate increases are separate from the wholesale power rate increase affecting the City and emphasized that the City operates under its own power purchase agreement with Duke Energy, along with 31 other municipalities. He concluded by noting that the City of Laurinburg maintains bargaining leverage as one of Duke Energy's largest municipal customers and stated that, even with the proposed increases, the City's electric rates are expected to remain comparable to or lower than those of Duke Energy and Pee Dee Electric.

Mayor Willis opened the floor for comments in favor of and in opposition to amendments to the Electric Rate schedule.

Comments in favor of the amendments

There were none.

Comments in opposition to the amendments

Ms. Carrie Hill, of North Caledonia Road, addressed Council regarding concerns about rising utility bills. She stated that she has observed significant and unexplained increases in her energy costs in recent months, despite no notable changes in her usage. Ms. Hill noted that such increases have created financial strain, particularly for individuals on fixed incomes who must budget for essential expenses such as groceries, prescriptions, and transportation. She provided background on her residence, stating that she purchased her home, built in

1976, in 2013 and that it is approximately 850 square feet. She added that her home has undergone multiple energy efficiency improvements and reported that prior to occupancy in 2018, she obtained a state-certified home energy inspection and has since completed two additional energy assessments through the City's preferred provider. She further stated that she has invested more than \$15,000 in upgrades, including replacement of all windows and doors in 2021, installation of central heating and air, energy-efficient appliances, a natural gas tankless water heater, and a gas space heater installed in spring 2025. Ms. Hill stated that, despite these improvements, she reported continued increases in her utility bills. She emphasized that electricity is an essential service and expressed concern that inconsistent or unexplained billing creates financial uncertainty and hardship. Ms. Hill requested that the City consider conducting an independent audit of the billing system to identify potential discrepancies and ensure accuracy and transparency. She also referenced an anonymous resident's experience involving a billing adjustment and expressed concern regarding the consistency of such practices. She recommended the implementation of a refund process for any customers found to have been overcharged. Ms. Hill urged the City and its service providers to address these concerns promptly to ensure fair billing practices, improve transparency, and restore public confidence. She expressed support for an independent audit and equitable resolution for affected customers.

Ms. Shirley Campbell addressed Council regarding the impact of rising utility costs on residents. She acknowledged that Duke Energy is increasing the cost of power and inquired whether the City could utilize General Fund revenues or identify other budgetary sources to offset these increases and reduce the burden on residents. The City Manager explained that utility funds are accounted for as Enterprise Funds, which operate as stand-alone business funds and cannot be commingled with other municipal funds. He further stated that the General Fund, which is supported by property and sales tax revenues, cannot be used to subsidize utility operations. Ms. Campbell then asked whether any available funds could be allocated to assist the community in adjusting to the rate increases. She spoke to the financial challenges faced by residents, noting that many households are struggling to afford daily necessities and must make difficult decisions regarding bill payments. She cited examples of electric bills ranging from approximately \$600 to as much as \$1,500. Ms. Campbell also referenced a recent property evaluation notice she received. Mayor Willis clarified that property evaluations are conducted by the County and advised that any related questions should be directed to the appropriate County office.

Ms. Shahiree Covington, of Wiley Circle, addressed Council with questions regarding the relationship between the City's 2025 audit findings and the impact of Duke Energy's rate increases. She referenced the City's budget and broader economic concerns, including rising fuel costs, limited employment opportunities,

and the burden of high utility bills on elderly residents. Ms. Covington asked what actions Council could take to assist citizens and expressed concern regarding the accuracy of the audit findings.

Ms. Margaret Harrington, of Geneva Street, addressed Council and stated that she had raised similar concerns during the previous year. She reported that her utility bill has consistently been approximately \$500, noting an increase from \$509 in the prior month to \$535 in the current month. Ms. Harrington stated that such increases have forced her to make difficult financial decisions between paying utility expenses and meeting basic needs. She emphasized that individuals on fixed incomes are particularly impacted by rising utility costs.

Mayor Willis closed the public hearing.

Councilmember Williamson referenced the recent audit and reminded Council of potential penalties that could be imposed by the Local Government Commission (LGC). He asked the City Manager to explain prior instances in which the City did not implement incremental rate increases and the resulting challenges, noting that while rate increases are not ideal, they may be necessary. Councilmember Adams added that there have been occasions when the City was ineligible for grant funding intended to improve electric infrastructure due to maintaining low rates. She also requested that the City Manager provide additional information on this matter.

The City Manager explained that the Council agenda packet includes a breakdown of the NCEMPA rate increase effective April 1st, noting that this increase is separate from the City's audit findings. He also referenced the financial performance indicators previously discussed in the audit. He stated that the Local Government Commission (LGC) recommends that the City maintain reserves equal to two months, or approximately 16%, of operating expenses in each fund, adding that, as of June 30, 2025, the Electric Fund had an ending cash balance of approximately \$630,000. The City Manager explained that the City's total operating expenses were approximately \$16.5 million, and calculated the reserve level to be approximately 3.96%, which is below the recommended threshold. He noted that the City has submitted a response to address this deficiency. The City Manager further explained that if the proposed rate increase is not implemented, the City would incur a 4.5% increase in power costs without a corresponding adjustment in revenue, which would further reduce the Electric Fund's reserve percentage.

The City Manager explained that the City's total wholesale power purchase cost is approximately \$11 million annually for the Electric Fund, excluding employee and maintenance expenses. He stated that failure to implement the 4.5% rate increase would result in an estimated \$490,000 increase in power supply costs

without corresponding revenue adjustments. He reiterated that for an average customer using approximately 1,000 kWh per month, the proposed increase would raise the monthly electric bill from approximately \$133 to \$139. The City Manager noted that water, sewer, solid waste, and electric services are combined into a single utility bill. He further reiterated that the City has previously been ineligible for certain grant funding opportunities due to historically low utility rates. He also stated that 31 other municipalities within ElectriCities are subject to the same wholesale rate increases. The City Manager emphasized that the City is able to provide electric service at a lower rate compared to many surrounding providers and noted that the City's public power system offers strong local service and response times.

Councilmember Williamson stated that the City has a responsibility to maintain and develop adequate infrastructure; however, he noted that the City has previously been unable to secure certain funding opportunities due to its utility rates being considered too low. He indicated that this has been an ongoing issue and is part of the rationale for implementing rate adjustments. The City Manager added that the City recently constructed a second power substation, which was funded through cash reserves. He noted that this project was identified as a necessary capital improvement and was included in documentation submitted to the Local Government Commission (LGC) to explain the reduction in reserve levels.

Councilmember Adams asked if the citizen's rate increase would be effective April 1st as well. The City Manager stated that it would, adding that this discussion is more typical during the budget process and would be implemented at the appropriate time.

Councilmember Allen asked if passing the upcoming 4.5% increase would make the City eligible for grants. The City Manager stated that each grant is competitive, and it would depend on which infrastructure improvements the City would need to undergo. He added that the City has not historically been competitive due to the low electric rate.

Councilmember Williamson moved to approve Ordinance No. O-2026-05 amending the Electric Rate schedules, as presented. Councilmember McLean seconded the motion. The vote was as follows:

Ayes — Adams, Allen, McLean, Williamson

Nays — Rainer

(Copy of Ordinance No. O-2026-05 is on file in the Clerk's office)

## 6. CITY MANAGER REPORTS

- a. Consider Resolution No. R-2026-05 awarding the bid for the Raw Water Lines-Phase II Project.

The City Manager acknowledged that Engineer Chuck Willis was present to provide any additional details about the Raw Water Line projects, if necessary. He stated that bids for the Raw Water Lines—Phase II Project opened on February 19th where 13 bids were received. He explained that all funding for the project would come from state direct appropriations, so there would be no cost to the City. The City Manager noted that North American Construction Company was the lowest responsible bidder for \$1,338,485 and asked for Council's approval to award the bid.

Councilmember Adams moved to approve Resolution No. R-2026-05 awarding the bid for the Raw Water Lines-Phase II Project to North American Construction Company in the amount of \$1,338,485. Mayor Pro Tem Rainer seconded the motion. The vote was as follows:

Ayes — Adams, Allen, McLean, Rainer, Williamson  
Nays — None

The City Manager added that Item (a) and Item (c) are related.

(Copy of Resolution R-2026-05 on file in the Clerk's office)

- b. Consider Resolution No. R-2026-06 awarding the bid for the McKay Street Tank Rehabilitation Project.

The City Manager explained that the McKay Street Tank was a valuable asset during the City's tank rehabilitation projects, acting as a back-up tank while the Caledonia Tank and three others were undergoing rehabilitation. He added that the McKay Tank has been a nice addition to the City's skyline murals due to its historical image. He explained that, when it was realized how beneficial it was to have an additional tank, the City began considering its rehabilitation. The City Manager stated that, of the \$11.25 million the City acquired from state direct appropriations for tank improvements and pump station rehabilitations, there was a certain excess of funds that did not meet the entirety of the cost of the project. He explained that the City went out to bid for the tank rehabilitation project on February 26th and received 5 bids. He noted that the lowest responsible bidder was Utility Services Company, Inc. for \$491,700 and asked for Council's approval to award the bid.

Mayor Pro Tem Rainer moved to approve Resolution No. R-2026-06 awarding the bid for the McKay Street Tank Rehabilitation Project to Utility Services Company, Inc. in the amount of \$491,700. Councilmember Allen seconded the motion. The vote was as follows:

Ayes - Adams, Allen, McLean, Rainer, Williamson  
Nays - None

(Copy of Resolution R-2026-06 on file in the Clerk's office)

- c. Consider contract amendment for Charles R. Underwood, Inc. to approve Phase II of the Raw Water Wells-Phase II Design-Build Project.

The City Manager reiterated that this contract amendment is related to Item (a) and explained that it would increase the total contract from an amount of \$32,223 to \$1,622,223 due to the addition of two new well sites. He noted that the cost of this project would be covered entirely by state direct appropriations. He clarified that the well treatment plant was in front of the hospital and that the location southeast of the City limits produces the best yield from the City's wells. The City Manager explained that this project entails a raw water line leading to that location, where there would be two well sites. He stated that test wells have already been dug and the property for the two well sites has been acquired.

Councilmember Adams moved to approve the contract amendment for Charles R. Underwood, Inc. to approve Phase II of the Raw Water Wells Phase II Design-Build Project, increasing the total contract from \$32,223 to \$1,622,223. Councilmember Williamson seconded the motion. The vote was unanimous.

The City Manager reiterated that Engineer Chuck Willis was present to answer any questions anyone may have regarding the project.

- d. Discussion of the Fireworks Display for July 4, 2026.

The City Manager stated that the annual fireworks display is funded over the course of two fiscal years and that he received notice of the cost increasing by approximately 15.5% from last year. He noted that the cost last year was \$17,400 for the display and that, this year, it will increase to \$20,097 in the current budget. He added that the budget will also include an additional amount for next year as well. The City Manager explained that he wanted to

ensure Council was comfortable to move forward with the cost increase, considering the anticipated 150th Celebration events and expenses in 2027, to move forward with planning. Council unanimously approved the cost increase to begin planning the Fireworks Display for July 4, 2026.

e. Update on Sesquicentennial Committee.

The City Manager explained that the Sesquicentennial recognizes the City's 150th birthday and would need a committee to assist with preparations for the celebration. He stated that Council's approval of the Sesquicentennial Committee is needed prior to its meeting next Monday, adding that they were provided a list of interested participants in the agenda packet. He stated that Council's approval is also needed to authorize the Community Development Director to add any other individuals that wish to join as needed.

Mayor Pro Tem Rainer moved to appoint the individuals presented in the agenda packet to be the Sesquicentennial Committee and authorize the Community Development Director to add individuals in the future as needed. Councilmember Adams seconded the motion. The vote was unanimous.

The City Manager also provided an update regarding the stage project in McDuffie Square. He stated that he had preliminary discussions with Mr. David Pope of the Hospital regarding the stage name, noting that they are very interested in the prospect. He explained that it is recommended to erect signage that will withstand three or more years and that further discussion must be had with the City Attorney to move forward. The City Manager noted that both the City and Mr. Pope mutually understand that this is a significant investment of owning the stage name and rights for an extended period of time.

The City Manager referenced the need for a budget meeting and recommended hosting it prior to the April 21, 2026 Council meeting at 4:00 p.m.

Councilmember Williamson moved to set a meeting on April 21, 2026 at 4:00 p.m. prior to the City Council meeting to discuss the budget. Councilmember Allen seconded the motion. The vote was unanimous.

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

Mayor Willis noted that he attended the Economic Development Seminar hosted at City Hall that fostered a productive discussion regarding the community. He also announced that he recently appointed Ms. Diane Rainer to the Housing Authority.

Councilmember McLean thanked Community Development Director Walker McCoy for efficiently addressing the concern of a resident regarding trash pickup within the City.

Councilmember Adams stated that she recently attended the Lumber River Council of Governments (LRCOG) Advance and that there is a North Carolina League of Municipalities free webinar available regarding housing. The City Manager stated if any Councilmember is interested in similar events, the Clerk's office would provide assistance with registration. Councilmember Adams also noted that the recent Economic Development Seminar, attended by Mayor Willis, would also be hosted at a different location on April 8th if any members of Council wish to attend.

Councilmember Adams concluded that the LRCOG is in need of an alternate member from the City of Laurinburg to replace prior Mayor Pro Tem Evans. Councilmember Williamson nominated Mayor Pro Tem Rainer to fill the alternate position with the LRCOG. Councilmember Adams seconded the motion. The vote was unanimous.

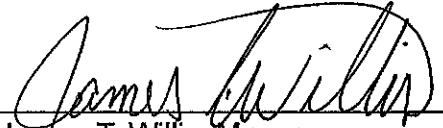
#### **8. CLOSED SESSION (IF NEEDED)**

No Closed Session was needed.

#### **9. ADJOURNMENT**

Motion was made by Councilmember Williamson, seconded by Mayor Pro Tem Rainer, and unanimously carried to adjourn the meeting.

The meeting was adjourned at 7:29 p.m.

  
James T. Willis, Mayor

  
Amanda K. Futrell, City Clerk