CITY OF LAURINBURG
CITY COUNCIL MEETING
JUNE 16, 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, June 16, 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; Mac McInnis, Planning & Zoning Officer; Walker McCoy, Community Development Director; Jennifer McGirt, Finance Director.

Mayor Willis called the meeting to order at 6:03 p.m. Mayor Pro Tem Rainer gave the Invocation and led the Pledge of Allegiance.

2. APPROVAL OF AGENDA

The City Manager stated that Item 6(a) to discuss the Southeastern Regional Airport Authority sponsorship was repositioned on the agenda due to a time constraint of the speaker and would be placed before the Public Hearing. The Agenda now consists of Item 5. City Manager Reports (a) Southeastern Regional Airport Authority sponsorship discussion and the remaining City Manager Reports are listed under Item 7.

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

3. PUBLIC COMMENT PERIOD

Mr. Charles Jones, of Maryland, stated that he would soon be moving back to Laurinburg. He stated that he would like to propose a potential training center for recent college graduates in Scotland County. He explained that his goal is to launch a career training center involving a six-month program that would qualify recent college or high school graduates for various trades and assist them with entering the workforce as a craft professional. Mr. Jones requested support from Council and a potential partnership with the City of Laurinburg and provided handouts to Council outlining the project.

4. CONSENT AGENDA

Mayor Willis read aloud the Consent Agenda:

a. Consider the approval of the draft minutes for the May 19, 2026, Special Meeting and Regular Meeting.

b. Consider Ordinance No. O-2026-13 to Amend the Fiscal Year 2025-2026 Annual Budget Appropriations Ordinance No. O-2025-17 to Reallocate the General Fund Non-Departmental Budget to other Departmental Budgets within the General Fund.

c. Consider approval of the site plan for East Laurinburg Church.

d. Consider the application to use the facilities at McDuffie Square by the Scotland County Sheriff's Office for a Badges & BBQ For Kids Event Fundraiser on March 20, 2027, from 7:00 a.m. until 6:00 p.m.

e. Consider Ordinance No. O-2026-14 Amending the Annual Vehicles & Equipment Capital Project Fund to transfer funds from the General Fund to the capital project fund for the construction of the road at Hillside Cemetery and construction of the cemetery equipment shed that will not be completed until the next fiscal year.

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

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

(Copies of Ordinances No. O-2026-13 and No. O-2026-14 are on file in the Clerk's office)

5. CITY MANAGER REPORTS

a. Southeastern Regional Airport Authority sponsorship discussion.

The City Manager stated that Mr. Seth Hatchell, Director of the Southeastern Regional Airport Authority (SERAA), was present to provide airport updates and present several action items for Council's consideration.

Mr. Hatchell explained that the airport was currently in discussions with the Scotland County Economic Development Corporation, the Economic Development Partnership of North Carolina, and the Department of Commerce regarding three parcels of property surrounding the airport that could be developed for new industry in Scotland County. He stated that the projects were called Long Leaf, Driver, and Better Bird and requested that the City of Laurinburg release those parcels, which must also be requested from the Town of Maxton.

Mr. Hatchell stated that he is also looking for approval from Council for an Airport Management Agreement. He explained that the Laurinburg-Maxton Airport Commission (LMAC), which predates the SERAA, was established at a joint meeting between the City of Laurinburg and the Town of Maxton on January 9, 1948, which created the LMAC, consisting of three representatives appointed by the City of Laurinburg and three representatives appointed by the Town of Maxton. He further explained that the meeting was held before the Federal Aviation Administration (FAA) was created, so since that establishment date, the FAA has not recognized the LMAC as the sole sponsor of the airport. Mr. Hatchell noted that the sole sponsor is responsible for maintaining the 29 grant assurances required whenever the airport accepts federal or state funding, and that, up until now, the City of Laurinburg and the Town of Maxton have been acting as co-sponsors of the airport while the LMAC managed it for the last 82 years. He stated that the airport is looking to establish a formal airport management agreement between the City of Laurinburg, the Town of Maxton, and the SERAA to present to the FAA.

Mr. Hatchell stated that he is also looking for a resolution of support as they pursue sole sponsorship of the airport. He explained that, since the City of Laurinburg and the Town of Maxton are co-sponsors, both entities sign off on every grant agreement received for the airport, and that the SERAA directly funds the local match of all of that grant funding. He stated that he is requesting that the City of Laurinburg and the Town of Maxton agree to sole sponsorship, which may take approximately 12 to 18 months, so they are looking to execute the airport management agreement in the interim.

Mayor Pro Tem Rainer asked Mr. Hatchell to elaborate on what sole sponsorship was. Mr. Hatchell explained that, currently, the City of Laurinburg and the Town of Maxton are co-sponsors of the airport, meaning every piece of airport property is jointly held by them. He continued that, when airport property is sold, it is first passed by the airport commission, then the City of Laurinburg and the Town of Maxton, then to the Division of Aviation at the state level, then to the FAA. He elaborated that sole sponsorship involves the same process, but since the airport is paying the local match of the grant funding, they are the only party liable for that. Mr. Hatchell expounded that, currently, since the City of Laurinburg and the Town of Maxton are signing off on all grant agreements, they both would be held liable if the airport does not pay the 10% local match.

The City Manager stated that both the City of Laurinburg and the Town of Maxton are listed on the deed, but the City of Laurinburg does not carry any of the 3,000 acres as assets on its financial statements, so there is some liability because of that. He stated that the Laurinburg-Maxton Airport was formed before the FAA was formed, so the City has been trying to get grandfathered in. Mr. Hatchell stated that the LMAC was formed at the recommendation of the Civil Aeronautics Authority, which pre-dated the FAA. Mayor Willis noted that it would clear any obstacles preventing the sale of property at the airport.

Councilmember Williamson asked if the sole sponsor would be the SERAA. Mr. Hatchell confirmed that it would be and noted that the City would still appoint three representatives to the Airport Authority and that, per the North Carolina General Assembly enabling legislation, any piece of property the airport sells still must be approved by the City of Laurinburg and the Town of Maxton. The City Manager stated that putting the management agreement in place allows for the three projects to move forward within the anticipated 18-month timeframe.

Mayor Willis stated that the Laurinburg-Maxton airport is the only airport in the state with its own water and sewer system, which is a revenue generator. Mr. Hatchell confirmed that to be correct. Mayor Willis also referenced the increase in the t-hangar rent at the airport and that they have been doing well, financially, since the introduction of the airport commission. Mr. Hatchell stated that the legislation was introduced in 2020 and took effect in January 2021, adding that the reason approvals take 12 to 18 months to be processed is because the FAA must validate and verify that the airport authority can operate independently.

Councilmember Williamson asked to clarify that there were three separate motions to be approved. The City Manager confirmed and stated that the first motion must be adjusted to reflect Council's approval of the release of the three tracts of land, being the 94-acre tract for Project Long Leaf, the 100-acre tract for Project Better Bird, and the 30-acre tract for Project Driver. Councilmember Williamson asked if the same information must be presented to the Town of Maxton for their approval. Mr. Hatchell confirmed that it does.

Councilmember Williamson moved to approve the release of three tracts of land to SERAA. Mayor Pro Tem Rainer seconded the motion.

Mayor Willis asked why the term "owners" was not used. Mr. Hatchell explained that the language complies with FAA terminology, which implies that the sponsor is the owner and is responsible for any incoming grant funding.

The vote was unanimous.

The City Manager stated that the next action item was for Council to consider the management agreement between the City of Laurinburg and the SERAA.

Councilmember Adams moved to approve entering into a management agreement between the City of Laurinburg and the SERAA. Councilmember McLean seconded the motion. The City Attorney requested that the motion include the ability for him to review the final agreement and noted that indemnification language must be added that protects the City if the authority to which the City is delegating does not comply with the grant regulations. Councilmember Adams amended the motion to include the City Attorney's requested revisions. Councilmember Allen seconded the amended motion. The vote was unanimous.

The City Manager explained that the last action item needing approval from Council was the resolution in support of sole sponsorship.

Mayor Pro Tem Rainer moved to approve Resolution R-2026-12 supporting SERAA pursuing sole sponsorship and titling property, held by the City of Laurinburg and the Town of Maxton, to the SERAA. Councilmember Williamson seconded the motion. The vote was as follows:

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

(Copy of Resolution R-2026-12 is on file in the Clerk's office)

6. PUBLIC HEARINGS

a. Consider a request for a Special Use Permit for Parcel No. 01004202025 located east of Deluca Street, south of R. Graham Street, and north of West

Allen Street to establish and maintain a Community Garden.

Mayor Willis stated that the Public Hearing was for a request for a Special Use Permit for Parcel No. 01004202025 located east of Deluca Street, south of R. Graham Street and north of West Allen Street, to establish and maintain a community garden.

Mayor Willis opened the Public Hearing and asked Planning and Zoning Officer Mac McInnis to explain the request. He noted that the Public Hearing was considered a quasi-judicial hearing, so anyone who wished to speak must be sworn in by the City Clerk before offering testimony.

Mr. McInnis was sworn in by the City Clerk. He explained that there were approximately six acres of property on the parcel, located between West Allen Street and R. Graham Street. He stated that the Galilee United Methodist Church made the request to establish and maintain a community garden on the parcel, which is separated by a right-of-way, with approximately 3.39 acres on one side of the right-of-way and approximately 2.22 acres on the other, all within the same parcel. Mr. McInnis explained that the request went before the Planning Board on May 12, 2026, where it was recommended that Council approve the request.

The City Attorney stated that Mayor Pro Tem Rainer must recuse herself from both discussion and voting regarding this request because she is a member of the church requesting the special use permit.

Councilmember Adams asked if the consistency statement received by Council was discussed at the Planning Board meeting. Mr. McInnis stated that it was not. Councilmember Adams asked to confirm that, based on the consistency statement, the proposed special use permit would not be consistent with the surrounding zoning. Mr. McInnis explained that the consistency statement is what the City is asked to develop according to the adopted Land Use Plan, and that the Land Use Plan is a recommendation and is neither permanent nor a law. He stated that the community garden is considered an agricultural use and that agricultural uses are not consistent with the surrounding zoning. He explained that the Land Use Plan identifies that type of use within Rural Residential (R-20 and R-20MH) zoning districts, so the only way it could be permitted in the R-15 district would be through Council's approval of the Special Use Permit.

The City Attorney explained that the City's Unified Development Ordinance (UDO) provides that a community garden is a permissible use in an R-15 zone with a special use permit, and the Land Use Plan is somewhat inconsistent with that, so the decision could be swayed either way. Mayor Willis stated that

that definition of agricultural use is most likely referring to a commercial farming operation. The City Attorney stated that there is some interpretation involved in that, and that, based on Mr. McInnis' description of the lot, it is potentially a larger agricultural use, and one of the requirements for issuing a special use permit is that it is consistent with the adopted Land Use Plan, but Council has the discretion in this case to decide whether the UDO, which lists it as a permitted use, trumps that requirement.

Councilmember Adams asked to clarify the location of the parcel. Mr. McInnis clarified that the parcel, split into two sides by the right-of-way, was located behind residential properties except along Deluca Street.

Mayor Willis invited anyone wishing to be sworn in to provide their testimony and asked that they state their name and address. The City Attorney suggested inviting the proponents to speak in favor of the request first.

<u>Comments in favor of the special use permit request</u>

Reverend Larry Everett, of Hillcrest Avenue, was sworn in by the City Clerk and handed out information to Council. He stated that he is one of the shareholders of the property and that the shareholders unanimously voted to let the church have the vacant property to have a community garden. He explained that the community garden would enhance the neighborhood and that there are multiple entrances to the property to be able to begin construction. He noted that there would be a fence around the garden and that there would be a parking lot at the corner of Deluca Street and R. Graham Street. Reverend Everett stated that the end of Deluca Street, extending toward Graham Temple Church all belongs to Galilee United Methodist Church now. He explained that all produce grown would be donated, free of charge to everyone in the community. He continued that it would be a raised bed garden, would be maintained by both the church and by volunteers, and would use City water. Reverend Everett reiterated that the space would be separated from surrounding properties by a fence. He outlined that one side of the parcel would be a vegetable garden and the other would be a prayer garden with flowers, adding that it would enhance the community and that he has already reviewed plans for the space.

Councilmember Adams asked what type of fence would be installed. Reverend Everett stated that it would be a visually appealing, sturdy fence. Councilmember Adams asked if the fence would surround the entire property. Reverend Everett stated that it would and that the garden would have specific hours of operation. He added that the project would be a state-of-the-art design that Laurinburg would be proud of.

Councilmember Allen asked what the height of the fence would be. Reverend Everett stated that it had not been decided yet and that, once the lot is cleared, someone would map out the dimensions.

Councilmember McLean asked if the entrance would be on Graham Street. Reverend Everett confirmed that it would be.

Comments in opposition to the special use permit request

Mr. J.D. Willis, of West Allen Lane, was sworn in by the City Clerk. He stated that the proposed community garden would be positioned directly behind his house and that when he built his house, there were no plans for a community garden or construction behind his property. He described his point of view of a community garden as community-minded, but that the proposed project refers to a religious garden as well. Mr. Willis noted that he was not able to say how it would affect property values because he is not an appraiser, and that it would be good if the proposed fence were consistent with what is on West Allen Lane. He noted that he would like to purchase approximately 30 feet of land from his property line, toward the garden, and that he has other reasons for opposing the development but only wanted to go on record now stating that he is against it.

Councilmember McLean asked if there was at least one other reason Mr. Willis would like to share, other than the proximity of the garden to his property line. Mr. Willis stated that he would address any other reasons with the requester directly. Councilmember Williamson asked the City Attorney if Council would be able to compose special limitations or requirements to grant a special use permit, such as fencing requirements. The City Attorney confirmed that any reasonable regulation is permitted. Mr. Willis stated that along R. Graham Street, there are multiple houses and that he believes some of those residents are against the community garden.

Councilmember Allen asked if Mr. Willis would prefer a privacy fence be installed around the community garden. Mr. Willis stated that it would be better than a chain link fence, such as a six-foot fence that no one can see through.

Ms. Mamie Massey, of West Allen Lane, was sworn in by the City Clerk. She stated that she is concerned that the community garden would potentially devalue property in the surrounding area. She also stated that she does not want any violence to come out of the community garden that may be close to or on her property. She offered to help locate alternative locations, if necessary, and suggested creating a community garden outside the City Limits due to limited space for parking.

Mr. J.D. Willis addressed Council with a request to postpone the decision tonight to give surrounding residents a chance to speak with Galilee United Methodist Church. The City Attorney stated that it is possible and that the hearing may be continued at a later date, pending further evidence. Councilmember Williamson asked if any discussions with residents had taken place. Reverend Everett stated that he had spoken to Grand Temple Church, which is in favor of the community garden.

Councilmember Adams asked Reverend Everett if he would be willing to speak with surrounding residents to develop a plan to present at the July 2026 Council meeting. Reverend Everett said that he was willing to do that.

Councilmember Williamson stated that most citizens are in favor of community gardens as a whole, and that this project is well-planned, but as Mr. McInnis stated, a community garden is not consistent with the current zoning. He suggested that Reverend Everett compose a plan that would satisfy both his and the residents' goals and wishes. Councilmember Williamson suggested making a motion to postpone the public hearing until the next Council meeting, with the request that those in favor of and in opposition to the request meet to discuss common ground that would benefit both parties.

The City Attorney stated his assumption that all the evidence presented thus far was all that would currently be presented. He explained that the impact that the development would have on surrounding residential properties is an element of Council's decision, so there must be some evidence from the proponent that it would not have a detrimental impact on the property values of surrounding property owners. He noted that it could be from the opinion of someone in the real estate appraisal business and that the opponents also have the same opportunity to rebut the proponent's appraiser's opinion with their own. The City Attorney further explained that, if there is evidence for both sides, then Council would weigh the evidence and determine which is more persuasive, but that today, none of that evidence was presented, so currently the burden is on the applicant to provide that evidence. He noted that, if Council wished to continue, a person, report, or letter from someone qualified to make an opinion about the impact that the land use would have on the adjacent property owners would be necessary.

Mayor Willis stated that there is a community garden on church property at Laurinburg Presbyterian Church where plots are rented and maintained by members of the community, but that it is much smaller than the rendering presented by Reverend Everett. Reverend Everett stated that they would clear the entire lot, but the first year would involve planting on only one acre of the land, and if it prospers, then it would be expanded. Mayor Willis reiterated that if the public hearing was postponed tonight, both parties must be prepared to come back at the next meeting with expert testimony to defend their case and must also encourage dialogue between the parties to discuss alternative options. The City Attorney also reiterated that their expert opinions must defend property values, specifically. Councilmember Adams noted that if both parties were able to come to an agreement that is mutually satisfactory, then expert testimony would not be necessary.

Councilmember Williamson made a motion to postpone the public hearing until the July 2026 Council meeting, in order to give the proponents and the opposition an opportunity to discuss common ground that would benefit both parties so that there is an understanding between all parties when brought back before Council, or so that expert testimony may present an opinion on the impact this land use would have on adjacent property owners. Councilmember Adams seconded the motion. Mayor Willis reiterated that Mayor Pro Tem Rainer must recuse herself from voting. The motion carried unanimously by the votes of Councilmembers Adams, Allen, McLean, and Williamson. Mayor Pro Tem Rainer was recused.

b. Consider the Proposed Budget for Fiscal Year 2026-2027.

Mayor Willis stated that the Public Hearing was an opportunity for the public to weigh in on the City's annual budget.

The City Manager explained that there would need to be discussion regarding pending state legislation that could affect the City's budget, but first, Council would discuss the budget that must be presented by June 1, 2026, and would be available to the public. He stated that, once the public hearing was closed, he would discuss Items one through five under Public Hearings Item 6(b). He noted that Items 6(b).4 and 6(b).5 would be delayed and that Council would instead focus its discussion on the budget presented using the new property values before Senate Bill 889 — which was currently at the Governor's desk — and Senate Bill 474 — which had passed its second reading — were introduced. He stated that Council would then discuss possible next steps.

The City Manager stated that the current budget presented on June 1, 2026 was $47,332,208 and includes the General Fund, Electric Fund, Water & Sewer Fund, and Solid Waste Fund. He also noted that there was a 3% cost of living adjustment factored into the budget for City of Laurinburg employees and maintains the same fringe benefit package, including the 5% COLA contribution to employees and the existing health insurance plan, despite a 39% increase in health insurance costs.

The City Manager stated that the proposed budget was based on a 40-cent tax rate in the General Fund and included all capital needs and requests, using $520,000 of fund balance to balance the General Fund budget. He noted that there were no proposed rate increases in the Electric Fund, which included a proposed $384,000 of fund balance to balance that budget. He explained that the only change presented was in the Water & Sewer Fund, which was a 10% rate increase in the fourth year of the five-year rate plan from the study performed approximately four years ago by Raftelis. He added that the rate increase next year would be a 5% increase for the fifth year and that there was currently $436,000 of fund balance appropriated to balance the Water & Sewer Fund. The City Manager stated that there is a handout for Council that would be discussed after the public hearing regarding options for Council moving forward, adding that Council must specifically consider next steps in the Solid Waste Fund after the budget is finalized, regarding potentially contracting some services or rate increases. He noted that the City has accrued enough money to purchase a new piece of equipment, but financing a $400,000 piece of equipment is not a sustainable business model. He stated that the current proposal involves no proposed solid waste increase, and that the City had to use the cash in the Solid Waste to balance the budget, which was $289,197 of fund balance appropriated. He added that an automatic side-loader was removed, but the budget still included one equipment replacement and the purchase of a $250,000 boom truck.

The City Manager stated that the purpose of the public hearing was to receive input from the public and facilitate Council discussion, and that after the public hearing was closed, he would talk about next steps based on actions regarding each bill at the state level that may impact local government. He referenced a blog from the University of North Carolina School of Government (UNC SOG) that outlined recommendations on those next steps.

Councilmember Adams asked what the fund balance was for the Solid Waste Fund. The City Manager stated that it was $289,197 and that the budget could only be balanced based on the amount of cash from the last audit, which was presented June 30, 2025. He stated that it would bring it down to a nearly zero-cash position in the Solid Waste Fund, so in July or August there is a plan to come back to Council with an update regarding recycling and solid waste, which may require Council to consider difficult decisions regarding solid waste operations during the fiscal year.

Mayor Willis opened the public hearing.

<u>Comments in favor of the proposed budget for Fiscal Year 2026-2027</u>

There were none.

<u>Comments in opposition to the proposed budget for Fiscal Year 2026-2027</u>

There were none.

Mayor Willis closed the Public Hearing.

The City Manager cited guidance from Ms. Kara Millonzi of the UNC SOG in her blog insights. He explained that she strongly recommended the nine potential counties that could be impacted by Senate Bill 889 and to wait as long as possible to pass the City's budget ordinance. He outlined his recommendation for Council tonight to review the Fee Schedule and both the five-year and 10-year Capital Improvement Plans, which could be acted upon tonight, but to recess the Fiscal Year 2026-2027 Budget Appropriations Ordinance and the Fiscal Year 2026-2027 Budget Appropriations Ordinance for Downtown until June 29. The City Manager explained that recessing until the 30th would put a lot of stress on the Finance Department to make those changes before the deadline on the 30th, but that it is still recommended to recess the meeting.

The City Manager stated that he would provide an overview of recent updates and developments that may impact the City. He stated that Senate Bill 889 had passed the House and Senate and was currently at the Governor's desk, where it would either stay for 10 days and would become law if not acted upon or signed. He also referenced Senate Bill 474, which was introduced as a "trigger bill" to take nine counties going through the revaluations off of the moratorium, noting that Scotland County was one of those counties. He explained that it recently had its second reading in the House, which was approved by 114-1, with the third reading potentially tomorrow and then must briefly go back for concurrence to the Senate before passing it to the Governor's desk. He explained that it is considered a trigger bill because it would dissolve if Bill 889 does not become law. The City Manager stated that the City had two options — either use the new values from the County's revaluation process or go back to last year's values — noting that with each option presented, the City must try to maintain the $570,000 of fund balance appropriated.

The City Manager explained that Option A was if the values stayed the same and included the proposed capital projects, which was the use of $574,000 of fund balance appropriated. He stated that there was some money left in the perpetual care fund for the cemetery that could go toward the $100,000 building for beautification, and that one cent of the tax rate is approximately $119,795 in Option A. The City Manager explained that Option B was if the City reverted to the previously assessed property values, and that the City would have to identify approximately $1.44 million in reductions to get to the current position. He stated that there were potential avenues to take from both options, but the goal was to work around the $570,000 of fund balance appropriated and determine what Council felt comfortable balancing moving forward. He added that Option C is adjusting the tax rate, but that it would be discussed later.

The City Manager outlined Option B potential actions to reduce the amount of fund balance to appropriate, as a worst case scenario. He hypothesized removing the new Human Resources Department position, removing the potential McDuffie Square depot building, removing the McKay Street landscaping plan in McDuffie Square, removing the $100,000 for the cemetery shed — for which other perpetual care funds had been discussed — removing the four additional Police Department vacant positions, removing three Police vehicle replacements, removing all $250,000 of street resurfacing funds, and eliminating the City's share of the $750,000 joint fueling facility between the City and County. The City Manager stated that each of the removed items added up to the $1.44 million, which would reduce the expenditure amount and get the City back down to the $570,000 of fund balance appropriated. He noted that one cent of the tax rate is approximately $84,560 with Option B.

The City Manager highlighted that Option A is $120,000 for one cent, with the new values, and that Option B is $85,000 for one cent, with the old values. He explained that Option C involves both options with the tax rate decided upon by Council. He stated that Option A, if staying with the new values, was presented at a 40-cent tax rate, and to understand that the $120,000 if Council decides to increase the tax rate or reduce it would mean $120,000 more or less per penny. The City Manager also noted that, similarly with Option B and the departmental cuts, if Council decided to increase the tax rate or reduce it, that would mean $85,000 more or less per penny.

The City Manager stated that, based on information from the North Carolina League of Municipalities and state officials, it appeared likely that Republicans intended to place a referendum on the November ballot, which is where the moratorium stems from, and that they want to hold off on the new revaluations until the referendum is on the ballot in November. He explained that the referendum would restrict the authority of local governments to enforce increases by placing a cap on certain values, but that he was not sure which values or what the cap would be. He referenced comparisons between the City and other municipalities that would be necessary to acknowledge to maintain retention strategies if the impact of the referendum was negative. He concluded by requesting Council's discussion and direction regarding whether to proceed using the current property values or revert to the previous year's values.

Mayor Willis asked if Council was able to adopt the fee schedule. The City Manager confirmed. Mayor Willis stated that Council would take a brief recess in discussion of the Proposed Budget for Fiscal Year 2026-2027 to address Public Hearing Items 6(b).1-3.

1) Consider adopting the Fee Schedule - Effective July 1, 2026.

   The City Manager stated that the only adjustments to the fee schedule were in red writing in Council's agenda packet, which coincides with the 10% water and sewer rate increase that was presented.

   Councilmember Adams moved to approve adopting the Fiscal Year 20262027 Fee Schedule, effective July 1, 2026, as presented. Councilmember Williamson seconded the motion. The vote was unanimous.

2) Consider the adoption of the 5-year Capital Improvement Plan.

   The City Manager stated that Budget & Management Services Director Harold Haywood presented the Capital Improvement Plan at the May City Council meeting, but it must be officially adopted to assist the City with the pursuit of grants and other funding.

   Councilmember Williamson moved to approve the adoption of the 5-year, 2027-2031 Capital Improvement Plan, as presented. Councilmember McLean seconded the motion. The vote was unanimous.

3) Consider the adoption of the 10-year Capital Improvement Plans for Water & Wastewater.

   The City Manager stated that there are currently $61,000,000 of capital improvement projects ongoing in water and sewer, primarily because of the generosity of the state. He noted that Willis Engineers assists the City each year with adjustments to the Capital Improvement Plan, and that having a plan in place assists the City with obtaining grant funding.

   Councilmember McLean moved to approve the adoption of the 10-year Capital Improvement Plans for Water & Wastewater, as presented. Councilmember Allen seconded the motion. The vote was unanimous.

Council resumed discussion of the Proposed Budget for Fiscal Year 2026-2027.

Mayor Willis asked whether it would it be fair to assume that Bill 474 would become law since the vote was 114-1, and therefore, Council should concentrate on discussions about that. The City Manager agreed, stating that the next reading is tomorrow and briefly outlined the next steps for the bill to be introduced at the Governor's desk. Mayor Willis suggested that Council focus discussions on the new values. The City Manager reiterated that, since Council would focus their attention on Option A, they must remember the $120,000 value.

Mayor Willis asked about the necessity of maintaining the vacant positions in the Police Department. The City Manager explained that that was the thought process when reducing them initially, adding that for many years, the City's budget had been inaccurately inflated due to budgeting for too many positions that were never filled.

Mayor Pro Tem Rainer asked to clarify that all the information presented was based on 2025 assessed property values and asked if the 2026 property values would make a difference since the majority of residents' values doubled. The City Manager confirmed that it would make a difference, and that Option A uses the reappraised values and Option B would use the current values from 2025. He added that, if Bill 889 becomes law and Bill 474 does not become law, then the City would use Option B, but if both become law, then Scotland County is exempt from the moratorium so Option A would be used.

Councilmember Adams asked if all the vacant Police Department positions would be removed, or if five vacant positions would remain budgeted. The City Manager stated there would still be five positions. Councilmember Adams asked how many current officers there were. The City Manager stated that there were currently 51 sworn officers. Councilmember Adams asked if the City had ever had the additional 13 officers budgeted. The City Manager stated that the vacancy number had decreased over the last few years and referenced additional certifications within the Police Department that would be discussed later in the meeting. He added that Option B removed $372,000 from the budget. Councilmember Adams asked if the department needed more positions later on, then there could be a re-evaluation and an amendment made when necessary. The City Manager confirmed.

Councilmember Williamson noted that the tax rate had been 40 cents since at least 2012 and stated that there probably should have been some form of incremental adjustment since then, commending the City Manager and City staff for building revenues through services, even with a very discounted tax rate to reduce the burden on City residents who must pay for both City and County taxes. He added that expenses had increased for everyone and that he had seen property being sold for much more than the tax value in the area. He noted that he believes this would be a good opportunity for the City to regain some revenue by increasing the tax rate, adding that reducing the police department vacancy positions would equate to three cents. The City Manager stated that the tax rate was at 45 cents from 2000 to 2003, then decreased to 38 cents from 2004 to 2007, with an increase to 42 cents until 2011, and has been 40 cents since then.

Mayor Willis stated that, during COVID, the City had leveraged a lot of federal money and Council could have been forced into a rate discussion had that not happened, because of the money that came in for about three to four years.

Councilmember McLean asked to confirm that the City would be set at a rate decided upon after a certain date. The City Manager confirmed that the rate cannot be changed after the budget ordinance is adopted, which is why the referendum is worrisome, because if the baseline is set too low, and they restrict how much you can increase it, then the City would be locked into an inadequate baseline rate. He stated that it would impact next year's budget, not this year's budget. Councilmember Williamson reiterated Councilmember McLean's point.

Councilmember McLean stated that the City would also be losing services, along with being locked in at a baseline rate that is too low. He added that, if state legislation ultimately has that effect and the City simultaneously loses services, then people may leave as well.

Mayor Willis stated that it could all be discussed tonight and a plan could be presented at the June 29 meeting. The City Manager stated that there would need to be a finalized budget ordinance to approve on June 29. Mayor Willis asked if the City Manager wanted to leave the meeting with a target tax rate. The City Manager stated that it would be wise to have an idea of a firm value to pass along to the finance department and have a budget ordinance prepared for Council approval at the June 29 meeting, or to have a special meeting before June 29 to finalize the value.

Mayor Willis reiterated Councilmember Williamson's comment about the police department positions freeing up three cents if removed from the budget. The City Manager stated that doing so would reduce the number of budgeted vacant Police Department positions to four. Mayor Willis asked to clarify that there would still be enough money budgeted to hire four new officers.

Councilmember Williamson suggested removing $50,000 from the cemetery building. The City Manager stated that it would be possible, but to maintain the fund balance target under Option A, the City would move $50,000 to the capital project fund to use toward the $100,000 for the cemetery building, which was included on the Consent Agenda. Councilmember Williamson agreed that it would be difficult to have a baseline tax rate that is too low, with a shallow ceiling for adjustments, if the referendum goes through.

Mayor Willis stated that, even if the tax rate was set at 37 cents, the City would still be better off than it has been in years. The City Manager stated there would be increased revenue, although it would still not put the City in line with municipalities such as Rockingham, Lumberton, and Aberdeen. He stated that General Fund revenues were $5.1 million, so if $400,000 was cut, then it would decrease it to $4.6 million, compared to surrounding municipalities that are at $7 or $13 million, such as Aberdeen and Lumberton, respectively. He added that the uncertainty of the potential referendum in November requires caution.

Mayor Willis asked if Council should decide on either a 37-cent or 38-cent tax rate and then come back to the City Manager to let him prioritize the proposed changes instead of Council. The City Manager agreed, stating that street resurfacing could be delayed for one year, which would remove $250,000, which would be equivalent to two cents. Councilmember Williamson asked how to proceed if the City Manager wanted a budget ordinance finalized on June 29 and asked if that would require another one or two meetings before the June 29 meeting. The City Manager stated that that could be handled in-house if Council approved a tax rate tonight for the budget ordinance on June 29, to give City staff direction to be able to propose a fund balance appropriated in the approximate range of $570,000 and internally discuss what budget cuts would have the least impact.

Mayor Willis stated that the downtown property rate is 21 cents and asked if that district increased as much as the overall County. The City Manager explained that the City does not have that specific number from the County yet but would need it before the June 29 meeting. He stated that one change in the fund balance is that the amount that the City was valued at by the County at the end of March decreased by $30 million but has not received the downtown value from the County yet. Mayor Willis explained that the residents of Downtown Laurinburg pay City taxes, County taxes, and Municipal Service taxes and, however much that generates, the City matches it. The City Manager confirmed, stating that it has historically been $25,000 but with the City's match, it is about $50,000 and is solely allocated toward downtown improvements. He elaborated that, if taxes increased to a certain rate, it would subsequently generate the appropriate amount, which would then be matched by the City for and would collectively be used for downtown improvements.

Councilmember Williamson asked if the Downtown Advisory Committee (DAC) had commented on any benefits or setbacks regarding the potential adjustments. The City Manager stated that they had not but would like to have more to contribute to their downtown efforts, and that he attended a DAC meeting on Monday. He also stated that, when it was the Laurinburg Downtown Revitalization Corporation (LDRC), the majority of those funds were allocated toward a Director position, and that currently, that money is allocated primarily toward elements such as benches, trash cans, speakers, and McDuffie Square improvements. Mayor Willis asked the City Manager if he was considering adjusting that rate. The City Manager stated that it had not been discussed and that it has been 21 cents since roughly the 1980s. Councilmember Adams stated that she does not think it should be decreased because it supports a large part of downtown efforts, with ongoing improvements.

Mayor Willis referenced the current 127 Main Street renovations. The City Manager stated that Critical Path Solutions, LLC had mobilized for the project, picked up their keys on Monday, and were set to begin demolition on Thursday or Friday. He stated that they still had to get their building permit and are planning to have the project completed by the end of November.

Councilmember Adams concurred with Councilmember Williamson's point about how well the City has done at maintaining services and driving revenue while keeping the tax rate low and noted that she was always a strong proponent of maintaining a low tax rate. She also stated that she understands the benefit of the 40-cent rate but sees the value of lowering the rate to 38 cents, if possible.

Mayor Willis asked if there was a consensus on a 38-cent tax rate to consider at the June 29 meeting. Council expressed consensus in support of using a 38-cent City tax rate and a 21-cent Municipal Service District tax rate as the basis for preparing the proposed budget ordinance for consideration at the June 29 meeting. Councilmember McLean asked for clarification on the Municipal Service District tax rate. The City Manager explained that the residents of Downtown Laurinburg pay City taxes, County taxes and Municipal Service taxes. He stated that, however much that generates, the City matches it and all Municipal Service District funds go solely toward downtown improvements and so, if taxes increased, it would generate more revenue that would go toward downtown improvements.

Mayor Willis provided a brief history of the Municipal Service District, sometimes called the Special Tax District, and the renovation strategies of downtown and main street businesses. The City Manager also explained how the City is encouraging tenants downtown to renovate their buildings with funding incentives and ongoing discussions with property owners.

4) Fiscal Year 2026-2027 Budget Appropriations Ordinance.

Discussion was postponed at Council's discretion.

5) Fiscal Year 2026-2027 Budget Appropriations Ordinance for Downtown.

Discussion was postponed at Council's discretion.

7. CITY MANAGER REPORTS

b. Consider Update to Personnel Certification List.

The City Manager stated that the Personnel Certification List is presented to Council every year, adding that certifications are the only avenue for employees to increase their pay grade, other than promotions. He noted that the Personnel Certification List has been in place for approximately 12 years and enables growth opportunities for City employees, adding that all current additions are listed in red. He stated that there were three new certifications in the Fire Department, 10 in the Police Department to aid with their recruitment and retention initiatives, and two in the Water and Wastewater Department. The City Manager added that each certification must be approved by the department head before the individual can register for it and that all certifications on the list provided had been approved by the department heads and the Human Resources Director. He concluded that each certification earns the employee a step increase, which is 2.5%.

Councilmember Adams moved to approve the Update to Personnel Certification List, as presented. Mayor Pro Tem Rainer seconded the motion. The vote was unanimous.

c. Consider the Auditing Services Contract for Fiscal Year Ending June 30, 2026.

The City Manager stated that Council must consider the Auditing Services Contract for Fiscal Year Ending June 30, 2026 with Roche, Head & Associates, PLLC in the amount of $50,470.00.

Councilmember Williamson moved to approve the Auditing Services Contract for Fiscal Year Ending June 30, 2026 with Roche, Head & Associates, PLLC in the amount not to exceed $50,470 and authorize the Mayor, City Manager, and Finance Officer to execute any and all contract documents to be submitted to the Local Government Commission for final approval. Councilmember Allen seconded the motion. The vote was unanimous.

d. Consider Resolution No. R-2026-13 to adopt the updated Purchasing Policy & Procedures Manual.

The City Manager explained that the Purchasing Policy & Procedures Manual falls under Budget & Management Services Director Harold Haywood's guidance and was amended and approved in 2018. He explained that the new resolution to adopt the updated Purchasing Policy & Procedures Manual is to alter the verbiage to stay in line with state and federal purchasing and procurement guidelines and that it changes certain thresholds, such as the fixed-asset threshold from $5,000 to $10,000.

Councilmember Adams moved to approve Resolution No. R-2026-13 to adopt the updated Purchasing Policy & Procedures Manual, as presented. Mayor Pro Tem Rainer seconded the motion. The vote was as follows:

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

(Copy of Resolution No. R-2026-13 is on file in the Clerk's office)

8. APPOINTMENTS

a. Mayoral Appointments to the Laurinburg Housing Authority Board

Mayor Willis stated that Ms. Janetta Rainer and Mr. Rembert Deberry would continue serving on the Laurinburg Housing Authority Board.

9. COMMENTS FROM MAYOR AND/OR COUNCILMEMBERS

Council collectively discussed recessing the meeting until June 29, 2026, at 5:00 p.m.

Councilmember Adams thanked all Councilmembers for the airport's sole sponsorship support and stated that there was another community garden in Washington park that looks very nice. She also thanked the City staff for their efforts in hosting successful Farmer's Markets and various downtown events.

Councilmember Allen stated that one of his old classmates was hosting a community field day for adults and kids at the Dragon Park on Saturday.

10. CLOSED SESSION (PERSONNEL)

a. Set City Manager's Salary.

There was no Closed Session.

11. ADJOURNMENT

Motion was made by Councilmember Williamson and seconded by Councilmember McLean to recess the City Council Regular Meeting until June 29, 2026 at 5:00 p.m. in the City Hall Council Chambers.

The meeting was recessed at 8:08 p.m.

James T. Willis

James T. Willis, Mayor

Amanda K. Futrell

Amanda K. Futrell, City Clerk