CITY OF LAURINBURG
COUNCIL MEETING
OCTOBER 20, 2015
MUNICIPAL BUILDING
303 WEST CHURCH ST.
LAURINBURG, NC
7:00 P.M.

MINUTES

The City Council of the City of Laurinburg held its regular monthly meeting on October 20, 2015 at 7:00 p.m. in the council room of the Municipal Building with the Honorable Thomas W. Parker III, Mayor, presiding. The following Councilmembers were present: Mary Jo Adams, Dolores A. Hammond, Curtis B. Leak, Andrew G. Williamson, Jr. and J. D. Willis.

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

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

Councilmember Adams requested a moment of silence and then led the Pledge of Allegiance.

APPROVAL OF AGENDA

Motion was made by Councilmember Leak, seconded by Councilmember Williamson, and unanimously carried to approve the agenda as presented.

PUBLIC COMMENT

There was no one present to speak.

CONSENT AGENDA

The City Manager presented the Consent Agenda as follows:

a) Consider minutes of September 15, 2015 special meeting/work session and September 22, 2015 regular meeting
b) Set public hearing to be held on November 17, 2015 at 7:00 p.m. to consider a request to rezone property located at 8981 Tartan Road from Office/Institutional to Residential-20

Councilmember Adams moved to approve the Consent Agenda. Councilmember Hammond seconded the motion, and it was approved by the following vote:

Ayes: Adams, Hammond, Leak, Williamson, Willis
Nays: None

PUBLIC HEARING

CONSIDER TEXT AMENDMENTS TO ARTICLE 6 OF THE CITY OF LAURINBURG UNIFIED DEVELOPMENT ORDINANCE

Mr. Mac McInnis, City Zoning Officer, explained that when the Unified Development Ordinance (UDO) was updated and amended, staff knew that there would be some corrections necessary. He explained that Article 6 Section 6.5 needed to be corrected to permit barbershops, beauty shops and radio and TV stations in the Central Business District. He added that Article 6 Section 6.7 needed to be amended to omit the requirement for minimum lot size in the General Business District.

Mayor Parker opened the public hearing.

Mrs. Terry Gallman explained that since she and her husband owned WLNC, they would appreciate allowing radio stations on the Central Business District.

There being no one else to speak regarding this matter, Mayor Parker closed the public hearing.

Upon question by Councilmember Hammond, Mr. McInnis explained that Planning Board unanimously recommended approval of the amendments.

Councilmember Willis motioned to approve Ordinance No. O-2015-14 which amends Article 6 of the City of Laurinburg Unified Development Ordinance. Councilmember Adams seconded the motion, and it was approved by the following vote:

Ayes: Willis, Adams, Hammond, Leak, Williamson
Nays: None
(Ordinance No. O-2015-14 on file in City Clerk's office)

CITY MANAGER REPORTS

COMMUNITY DEVELOPMENT STRATEGIC PLAN UPDATE

Mr. Teddy Warner presented a PowerPoint on a proposed three-year marketing plan for Community Development/Economic Development. Highlights of the presentation included the following:

City Marketing Goals
1. Generate 25 qualified business/industry leads and projects each year.
2. Generate 25 unique client visits and meetings each year.

City Economic Growth Goals
1. Support the creation of 500 new jobs each year through marketing strategies and engagement.
2. Support the creation of $500 million per year in private investment through marketing strategies and engagement.
3. Encourage five (5) company locations to the City each year through

marketing strategies and engagement.

Upon question by Councilmember Willis, Mr. Warner clarified that the goal was to bring 500 jobs into Laurinburg.

Councilmember Willis expressed concern that 500 jobs was steep and he suggested setting a lower goal. He added that he would not want to hold Mr. Warner responsible for bringing 500 jobs per year to the area.

Councilmember Hammond suggested that the goal for private investment be changed from $500 million to $5 million.

Mr. Warner then reviewed the methods for reaching the proposed goals as follows:

Direct Marketing

1. Continued visits to Charlotte and Raleigh to meet with industrial brokers.
2. Develop marketing materials for City promotion.
3. Attend 203 targeted industrial trade shows each year within reasonable distance of the City.

Product Development

1. Create a revolving loan fund for business development in the City.
2. Downtown development through targeting revitalization projects, improved streetscaping/beautification, signage, etc.
3. Development of an industrial park in the City limits.
4. Development of shovel-ready sites for industrial, retail or other commercial growth.
5. Assist and partner with the community college and university system to pursue grants for workforce development.
6. Completion of priority projects with the City's Pedestrian Plan by partnering with the Lumber River Council of Governments for grant money.

Research and Technology

1. Launch new buildings, sites and developments by the City on the website, Facebook, etc.
2. Enter City generated leads and projects into the Department of Commerce Project Management System.
3. Create a database for our website and internal communications that lists all available commercial properties

Local and State Partnership Engagement

1. Enhance the collaborative relationship with the NC Department of Commerce and the Economic Development Partnership to maximize marketing and resources to benefit the City.
2. Attend all state and federal workshops in any area pertaining to economic development.

Communications and Public Relations

1. Conduct quarterly meetings with City Council members to update on accomplishments, activities and projects.
2. Present highlights of economic and community development at monthly City Council meetings.
3. Reach out to state and local media outlets to broadcast our continued successes.

Mr. Warner explained that the estimated budget at this time will be an increase of $5,000.00 per year in the Travel & Schools line item and also $5,000.00 in Marketing & Miscellaneous line item in the Community Development budget. He added that depending upon the project, the Other Improvements line item would be affected. He further added that the grant monies that are being targeted require in the 10-20% match range. Mr. Warner further explained that the plan would be presented to Council in November for final approval.

COMMUNITY DEVELOPMENT UPDATE

Mr. Warner explained that Crape Myrtle trees will be planted next week in the right-of-way on North Main Street from across the railroad tracks to the fork at Lee's Mill Road.

Discussion ensued concerning the right-of-way and potential damage to the trees from traffic. Mr. Warner explained that the trees will reach a maximum height of 10 feet.

Upon Councilmember Leak's suggestion that the sidewalks on North Main Street needed to be refurbished, Mr. Warner explained that he would investigate and bring estimates to the next Council meeting.

CONSIDER APPROVAL OF ART GARDEN PROJECT

Mr. Warner explained that the Art Garden would be located at the corner of Church and Main Streets, at 100 East Church Street. He explained that the Art Garden was the idea of Ms. Terry Gallman, member of the Beautification Committee. He added that staff partnered with Dr. Adam Walls, an art professor at UNC Pembroke who developed the design plans. He then provided a brief introduction of Dr. Walls.

Dr. Adam Walls explained that he has been involved with large-scale sculpture work for 16 years, and that he has seen interest in large-scale sculptures increasing. He added that large-scale sculpture is a way to beautify areas and to engage the public. He further added that he and therefore his students, use recycled materials and scrap products, many of which are donated materials. He explained that his students submitted proposals for projects and have begun working on them. He further explained that the pieces will be ground smooth and have no sharp edges. Dr. Walls discussed the possibility of bringing in Tri-State Sculptors, a group of professionals, to bring in their work to exhibit at the Art Garden after the student work is exhibited which could bring nationally and internationally-known sculptors to Laurinburg.

Upon question by Councilmember Williamson, Dr. Walls explained that the students' work would be available for purchase.

Discussion ensued concerning the possible evolution of the Art Garden so that local artists would be able to display their sculptural works.

Upon question by Mayor Parker, Dr. Walls explained that the concrete pads would have hooks imbedded to hold the sculptures in place. He added that he has seen the concrete pads mixed with local soil to give them a natural look.

Mr. Warner discussed the proposed budget for the Art Garden as follows:

Item	***Cost***
Concrete sidewalks	*$14,000*
Sod	*$6,000*
Trees, shrubs, mulch	*$5,000*
Irrigation	*$2,000*
Student supplies	*$7,500*
Lighting/electrical	*$1,000*
TOTAL	*$35,500*

Upon question by Councilmember Adams, Mr. Warner explained that staff is considering the possibility of constructing a stage at the Art Garden in order to hold community events. He explained that he would like to get the Art Garden Project completed and then consider the planning the stage.

Mr. Warner explained that in conjunction with the United Way Day of Caring, a fruit orchard was planted in the Washington Park neighborhood.

Motion was made by Councilmember Williamson, seconded by Councilmember Adams, and unanimously carried to approve the Art Garden Project and budget in the amount of $35,500.00.

CONSIDER ACCEPTANCE OF FORMER BRANCH'S LOT FROM LAURINBURG DOWNTOWN REVITALIZATION CORPORATION

The City Manager explained that in order for the Art Garden to proceed, he was requesting that Council accept the former Branch's lot from Laurinburg Downtown Revitalization Corporation (LDRC).

Motion was made by Councilmember Adams, seconded by Councilmember Hammond, and unanimously carried to accept the property known as the former Branch's lot located at 100 East Church Street from Laurinburg Downtown Revitalization Corporation (LDRC).

DISCUSSION OF ELECTRIC RATE STUDY

The City Manager explained that Mr. Ed Tucker of Progressive Engineering would present results of the electric rate study conducted by the firm. He added that the study was begun as a result of the Electric Fund having operating losses over the past four (4) years and letters from the Local Government Commission (LGC) regarding the solvency of the Electric Fund.

Upon question by Councilmember Adams, the City Manager explained that in the past, there were wholesale electric increases to the City which the City Council chose not to pass on to the electric customers.

Councilmember Willis expressed concern that for 15-20 years, the City was borrowing from the Electric Fund and the Water/Sewer Fund and that was part of the reason both funds were experiencing operating losses.

Mr. Ed Tucker explained that because of the operating losses in the Electric Fund and the recent reduction in wholesale electric rates due to the asset purchase between Duke Progress Energy and the North Carolina Eastern Municipal Power Agency (NCEMPA), Progressive Engineering was asked to conduct a rate study for the City. He added that the City has a very complicated electric rate structure, and the further study on simplifying the rate structure was needed; however, at this time, he was recommending an overall electric rate reduction. He further added that in the future he will present a recommendation with regard to the electric rate structure.

Upon question by Councilmember Willis, Mr. Tucker explained that the fuel adjustment charge would be rolled into the electric rates and would no longer appear as a separate line on the utility bills.

Mr. Tucker explained that in preparing the rate study, he reviewed current rate levels and the reduction in wholesale electric rates. He added that the study was prepared by considering five (5) years of no change in wholesale rates and a modest two percent (2%) increase in budget items for the electric department. He further added that in the study, he also considered the following:

- Although the City had done a good job of maintaining its electric system, all of its inventory of poles, wires and other necessary supplies had been depleted and needed to be replenished.
- The City has only one supply station. It is at capacity and the transformer needs to be replaced.
- At some point, the City will need to build another supply station which will cost approximately $3 million.
- Duke Progress Energy must clean up the coal ash ponds, which cost is reported to be approximately $3.6 billion, and it is likely that these costs will be passed on to consumers. It is unknown what affect this will have on wholesale rates as state and federal regulators will have to approve any rate increase by Duke Progress Energy.

Mr. Tucker explained that based upon the rate study conducted and considering all of the factors, he was proposing a seven percent (7%) across the board reduction in the City’s electric rates. He added that the City’s billing department would need to be consulted on when the rate decrease could take effect. He further added that the proposed reduction would provide approximately $1.9 million above the projected revenue budgeted in the current fiscal year, and approximately $77,000.00 above projected revenue budgeted in the next five (5) years. He cautioned that if the coal ash costs are rolled into Duke Progress Energy's rates, then the City's Electric Fund would have a negative cash flow in three (3) to four (4) years.

Upon question by Councilmember Willis, Mr. Tucker explained that the projected revenue would allow the City to rebuild its inventory to continue providing the high quality of electric service.

Discussion ensued concerning the need to replace the transformer at the City's substation. Mr. Tucker explained that Duke Progress Energy has advised the City that the transformer needs to be replaced. He added that the transformer is owned by Duke Progress Energy, but the cost of a new transformer would be charged back to the City monthly which would increase monthly power costs for the City.

Upon question by Councilmember Willis, Mr. Tucker explained that with a seven percent (7%) rate decrease, the City's rates will compare to other electric providers as follows:

- Comparable to Duke Progress Energy's rates
- Below Lumbee Electric's rates for low users and above for high users
- Comparable to Pee Dee Electric's rates for low users and above on high users.
- Below the City of Lumberton's rates.

Upon question by Councilmember Leak, Mr. Tucker explained that larger municipalities purchase more electricity so the wholesale cost is less to larger municipalities.

Upon question by Councilmember Hammond, Mr. Tucker explained that the rate study did not reflect a possible request from Duke Progress Energy to increase its rates due to purchasing the NCEMPA assets.

Mayor Parker explained that the City has much faster service to its customers than Duke Progress Energy when the power is out, thus providing a greater quality of service.

Upon question by Mayor Parker, Mr. Tucker explained that the City has excellent employees who know the City's distribution system; however, an electric rate study is extremely complicated and time consuming made more difficult by City's extremely complicated and number of electric rate schedules. He added that the next part of the rate study will be to simplify the City's rate schedules.

Councilmember Willis explained that the City chose to have a relevant and thorough electric rate study conducted after the Duke Progress Energy asset purchase rather than automatically reducing electric rates like some NCEMPA member cities did and then have to raise rates back up after a few months.

The City Manager explained that in FY 2014-2015, the City had a negative cash balance in the Electric Fund and had to transfer money from the Water/Sewer Fund.

Upon question by Councilmember Leak, the City Manager explained that there would be less impact on citizens if the rate structure is changed when energy consumption is low.

Motion was made by Councilmember Hammond, seconded by Councilmember Williamson, and unanimously carried to set a public hearing to be held on November 17, 2015 at 7:00 p.m. to consider an electric rate reduction.

Councilmember Leak requested that information concerning the electric rate reduction by available at the public hearing for the public to review.

Mayor Parker explained that he would like to see Council consider having a town hall meeting to provide information to the public on conserving energy and keeping electric bills down.

Mr. Robert Smith, Electric Services Director, explained that ElectriCities supplies the City with conservation kits for electricity and water. He added that the kits are provided to citizens when an energy audit is done by City staff.

Councilmember Hammond suggested that Ms. Tammie Simmons, Consumer Billing Manager, be at the public hearing to answer any questions concerning billing.

COMMENTS FROM MAYOR AND/OR COUNCILMEMBERS

Councilmember Willis expressed concern about recent comments regarding Council having secret meetings and not being transparent. He explained that since he has been a Councilmember, Council has acted above-board and been very transparent with meetings and actions.

CLOSED SESSION

At 8:45 p.m. Councilmember Adams moved to go into closed session pursuant to North Carolina General Statute 143-318.11(a)(4) to discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations. The motion was seconded by Councilmember Leak, and unanimously carried.

At 9:08 p.m. Councilmember Willis moved to adjourn the closed session and resume the open meeting. The motion was seconded by Councilmember Hammond, and unanimously carried.

ADDITIONAL COMMENTS BY MAYOR AND/OR COUNCILMEMBERS

The City Attorney explained that he had prepared a draft of the Scotland County Economic Development Corporation (EDC) bylaws after meeting with receiving input from Councilmembers Adams and Hammond.

Following a brief discussion, it was consensus of Council for the draft by-laws to be sent to the County Manager and the Board of Directors of the EDC for review.

ADJOURNMENT

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

The meeting adjourned at 9:09 p.m.

Thomas W. Parker III, Mayor	Jennifer A. Tippett, City Clerk