CITY OF LAURINBURG
CITY COUNCIL SPECIAL MEETING/WORK SESSION
OCTOBER 14, 2015
MUNICIPAL BUILDING
303 WEST CHURCH ST.
7:00 p.m.

Minutes

The City Council of the City of Laurinburg held a special meeting/work session on October 14, 2015 in the Council Chambers of the Municipal Building at 7:00 p.m. 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.

APPROVAL OF AGENDA

Motion was made by Councilmember Hammond, seconded by Councilmember Adams, and unanimously carried to approve the agenda.

AGENDA FOR OCTOBER 20, 2015

The City Manager reviewed the agenda for October 20, 2015 as follows:

3) Consider minutes of September 15, 2015 special meeting/work session and September 22, 2015 regular meeting

PUBLIC HEARING

4) Consider text amendments to the City of Laurinburg Unified Development Ordinance

CITY MANAGER REPORTS

5) Community Development Update
Mr. Teddy Warner introduced Dr. Adam Walls, art professor at UNC Pembroke, with whom the City is partnering on the Art Garden.

Dr. Walls discussed his experience as an artist and professor at UNC Pembroke. He also discussed the proposed plans for the Art Garden as follows:

- *Students have put together proposals for sculptures.*
- *When selecting sculptures, cost, functionality, durability and attractiveness will be considered. Will be colorful and invite people to go downtown.*

- *Financial assistance needed to fabricate.*
- *He picks up materials from scrapyards.*
- *Sculptures will be placed on concrete pads with minimal impact to site.*
- *Tri-State Sculptures is a guild of professional sculpturers and it is interested in having an art display at the City's Art Garden, which would bring national and internationally known artists and their work to Laurinburg.*

Mr. Warner added that in the future, partnering with St. Andrews University and Scotland High School would be considered.

Dr. Walls explained that his students have already started working with material which he donated.

Councilmember Hammond requested that Dr. Walls come to the October 20th Council meeting so that citizens could hear about him and the plans for the Art Garden.

Upon question by Councilmember Leak, Dr. Walls explained that each sculpture would include the student's name and his/her idea of the sculpture.

Upon question by Councilmember Leak, Mr. Warner explained that the Art Garden would be covered under the City's blanket liability policy.

Upon question by Councilmember Hammond, Dr. Walls explained that he would be available to assist the City with developing a policy for the Art Garden.

Mr. Warner added that Dr. Walls suggested that there be some type of art festival or event, and if people purchased the sculptures, the City would receive a commission on the sell. He further added that the funds would go back into the budget for the Art Garden.

Mr. Warner then presented 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*

Mr. Warner explained that staff did not include budget figures for adding a stage at the site at this time.

Discussion ensued concerning construction of a stage for events including possible assistance from Laurinburg Downtown Revitalization Corporation (LDRC) and Dr. Walls.

Mr. Warner presented Council with a proposed Strategic Plan for Community Development and explained that it was from a marketing perspective. He briefly reviewed the plan and requested feedback from the Mayor and Council so that it could be considered for approval at the November Council meeting. He added that he would provide updates to Council quarterly.

Councilmember Willis suggested that a financial plan for implementing the Strategic Plan needed to be developed.

Upon question by Councilmember Williamson, Mr. Warner explained that $5,000.00 was budgeted for marketing materials. He added that he is working on additional information for the website.

Further discussion ensued concerning funding for the Strategic Plan. Mr. Warner explained that he would present the Strategic Plan at the Council meeting next week along with some financial information. He added that he would discuss the financial aspect at the budget time next year.

6) Consider approval of Art Garden
7) Consider acceptance of former Branch's lot from Laurinburg Downtown Revitalization Corporation (LDRC)
8) Set public hearing to be held on November 17, 2015 to consider a request to rezone property located at 8981 Tartan Road from Office/Institutional to Residential-20

DIRECTION OF ITEMS TO BE PLACED ON CONSENT AGENDA AND DEPARTMENT HEADS NEEDED AT REGULAR MEETING

It was consensus of Council to add item 8 to the Consent Agenda.

DISCUSSION OF ELECTRIC RATES

The City Manager introduced Mr. Ed Tucker of Progressive Engineering and explained that he would review the electric rate study.

Mr. Tucker explained that the City has a lot of electric rates and he wants to simply the rate structure so that it is more in line with other cities' rate structures. He added that this is a fairly detailed process and would take some time. He further added that with the wholesale rate reduction, he had reviewed the City's revenue levels and recommended a reduction in electric retail rates. He discussed the methodology he used for reviewing revenues, estimating power purchase costs and other costs, and estimating revenues.

Mr. Tucker discussed the coal ash cleanup at Duke Progress Energy's fossil plants and the possibility of the $3.6 billion in costs being added to electric rates. He explained that because of the unknowns involved with this activity, he estimated that in about five (5) to six (6) years, the impact would be felt by the City and costs and revenues would be affected. He added that he recommended a seven percent (7%) reduction in the City's electric rates across the board. A copy of his analysis is attached as Attachment A and incorporated into these minutes.

Mr. Tucker explained that he looked at electric rates for Duke Progress Energy, Lumbee Electric Cooperative, Pee Dee Electric Cooperative and the City of Lumberton to compare rates to the City's rates and the comparison is shown on Attachment A. He further explained that the 7% reduction in rates would allow the City's electric rates to compare favorably to the others and allow the City to build its Electric Fund that had been pretty well depleted. He added that there should be enough revenue to allow the City to do some work on its electric system that had been put off for many years.

Upon questions by Councilmember Willis, Mr. Tucker explained that the 7% reduction takes into effect the asset purchase agreement between Duke Progress and North Carolina Eastern Municipal Power Agency (NCEMPA). He added that once all of the NCEMPA debt is retired in approximately 10 years, the City should be able to reduce electric rates; however, that would be dependent upon other issues such as the cost of purchasing electricity and the coal ash cleanup.

Councilmember Leak expressed concern about the erroneous reports that the City would be in a position to reduce electric rates by 14%.

Mayor Parker explained that each member city of NCEMPA was in a different position and was affected differently by the asset purchase agreement. He explained that the City of Apex was going to have to increase its electric rates.

Discussion ensued concerning the health of the Electric Fund's fund balance, or net position. The City Manager explained that at the end of FY 2013-2014, funds from the Water/Sewer Fund were transferred into Electric Fund in order to have a positive net position in the Electric Fund. He added that in the past, there had been wholesale price increases that Council chose not to pass on to its customers. He further added that the City had received a letter from the Local Government Commission (LGC) concerning the net position of the Electric Fund.

Councilmember Willis stated that Council had been using money from the Electric Fund to balance the General Fund in order to not raise property taxes.

Upon question by Councilmember Hammond, Mr. Tucker explained that the Duke Progress Energy electric rates he used in the study were effective August 1, 2015.

Following further discussion, it was consensus of Council to add to the October 20, 2015 agenda the following: set a public hearing to be held on November 17, 2015 to consider an electric rate reduction.

DISCUSSION OF ECONOMIC DEVELOPMENT

Discussion ensued concerning the changes to the Scotland County Economic Development Corporation (EDC) bylaws.

Councilmember Hammond requested that the County Manager/Interim Economic Development Director provide an update to Council at the next meeting.

Councilmember Leak explained that three (3) candidates were interviewed for the EDC Director position last week.

Upon request by Councilmember Willis, the City Manager explained that he would provide the amortization schedules for the City's current debt in his weekly report to Council.

CLOSED SESSION

At 8:19 p.m., Councilmember Adams moved to go into closed session pursuant to N.C. General Statute 143-318.11(a)(3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the city. The motion was seconded by Councilmember Willis, and carried unanimously.

At 8:43 p.m., Councilmember Willis moved to adjourn the closed session and resume the regular meeting. The motion was seconded by Councilmember Adams, and carried unanimously.

ADJOURNMENT

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

The meeting adjourned at 8:43 p.m.

Thomas W. Parker III, Mayor

Jennifer A. Tippett, City Clerk