

**CITY OF LAURINBURG
COUNCIL MEETING
JUNE 22, 2011
MUNICIPAL BUILDING
303 WEST CHURCH ST.
LAURINBURG, NC
6:30 P.M.**

MINUTES

The City Council of the City of Laurinburg reconvened its regular meeting held on June 21, 2011, which was recessed until this date and time, June 22, 2011 at 6:30 p.m., in the council room of the Municipal Building with the Honorable Matthew Block, Mayor, presiding. The following Councilmembers were present: Curtis B. Leak, Herbert M. Rainer, Jr., Thomas W. Parker III, Kenton Spencer, and Joy Ellison.

Mayor Block reconvened the meeting at 6:35 p.m. He then turned the meeting over to the City Manager.

IT/Fiber Optic Operations

The City Manager explained that the City no longer has an IT Director. He explained that this department maintains and handles the operations of the fiber optic system. He also explained that this department would house the City's data processing staff. The City Manager gave an overview of the 2011-2012 proposed budget.

He stated that to staff two IT employees the cost would be approximately \$92,545.00. He explained that he and the Human Resource Officer had researched the pay range for an IT Director and a Technology Specialist. He also explained that this pay range is based on the region around Scotland County.

A discussed ensued on the IT Department and its staffing.

The City Manager also stated that included in the proposed budget is a \$15,000.00 cost for a Wi-Fi study if Council so desires.

There was a consensus among Councilmembers that the proposed study cost be added to the parking lot list.

Upon question by Mayor Block, the City Manager stated that, with respect to items that Council has chosen to put on the parking lot list, the monies are included in Contingency for further consideration.

A discussion then ensued on the training for the automated meter reading devices.

The City Manager explained that the training for employees is included in the contract with Datamatic.

Upon question by Councilmember Spencer, the City Manager stated that all certifications for an IT Director are included in the job description.

A discussion ensued on the importance of having a person cross-trained to fill both the IT position and the Director's position (in the event the IT Director is absent at any time) and also the importance of a good working relationship with Scotland County regarding technology needs.

Contingency-Electric Fund

The Finance Officer stated that, with the changes that Council made to the Electric Fund, the contingency line item will increase to \$17,206.00.

Water/Sewer Fund

Mrs. Cindy Carpenter gave an overview of the Water/Sewer Fund Revenues. She explained that compared to last year's revenues there is a projected increase of 3.93%. She stated that there is no increase in water and sewer fees.

Building and Maintenance

Mrs. Cindy Carpenter gave an overview of the Building and Maintenance portion of the Water/Sewer Fund.

Non-Departmental

Mrs. Carpenter gave an overview of the Non-Departmental portion of the Water/Sewer Fund. She explained that the largest dollar item in this section is the bonds that the City has that will be paid off in 2015.

Robert Ellis, Water and Wastewater Treatment Plant Superintendant, stated that anything that was paid for with bonds would need to be replaced. He explained that the pump station bonds were 20-year bonds.

The City Manager informed the Council that the rate study for water rates would be deleted from the proposed budget.

Upon question by Councilmember Ellison, the City Manager explained that by this time there were hopes that a decision would have been made to join the City and the Scotland County water systems. He then explained that the City and County have different water rates in place. The proposal was to have a rate study conducted to see what the impact would be if the City and County rates were similar or what would have to be done to make the County system self sufficient. He then stated that during a meeting with County representatives, the County

informed the City Manager that they were not interested in pursuing the joining of the water systems.

A discussion ensued regarding the non-departmental items in the Water/Sewer Fund.

Mr. Ellis informed Council that the sewer lift stations are becoming aged, and therefore, major renovations are to be anticipated.

A discussion ensued on the proposed purchase of a sewage by-pass pump (versus rental) to keep lift stations operating if a pump has problems and the necessity of maintaining and upgrading the lift stations.

Consumer Billing and Receiving

Mrs. Carpenter informed Council that this portion of the proposed budget in the Water/Sewer Fund is the same as the Electric Fund Consumer Billing and Receiving. She explained that this portion of the proposed budget covers the cost of the balance of the collections and other duties involving the electric fund and the water/sewer fund.

Water Production/Treatment

Mr. Ellis explained that a capital improvement item for this proposed portion of the Water/Sewer fund is to find a well site that the State will approve.

He then gave an overview of the water production/treatment portion of the proposed budget.

Upon question by Councilmember Spencer regarding a proposed fence, Mr. Ellis stated that since 9/11 he has been getting pressure from the State about securing the water plant site. He explained that it would be a chain link fence. He stated that the reason the fence has not already been proposed is because the Lauchwood Drive project was not complete and that he did not want to have to erect a fence and then have to take it down during the Lauchwood Drive project.

A discussion ensued on the remaining portion of the water production/treatment budget.

Mr. Ellis stated that a concern he has is the number of irrigation wells that are being put in by farmers because they tap into the same aquifer as the City.

Discussion reverted to the purchase of a pump. Mr. Ellis informed Council that a portion of the rental costs would be applied to the total purchase price of the pump. Councilmember Parker suggested that Mr. Ellis procure a cost for a smaller pump along with cost of a large pump.

Upon question by Councilmember Leak, Mr. Ellis stated that sludge application would be up for renewal in 2013.

A discussion ensued on permit applications and renewals.

Wastewater Treatment

Mr. Ellis gave an overview of the Wastewater Treatment portion of the Water/Sewer Fund proposed budget. A discussion then ensued on that proposed portion of the budget of the Water/Sewer Fund.

Mr. Ellis stated that the Wastewater Treatment plant is short one employee and that is why there is a decrease in the estimated expenditures in the 2010-2011 Fiscal Year budget.

A discussion continued in regards to cross training employees and state certifications.

Mr. Ellis informed Council that the vacant position is a maintenance mechanic.

Further discussion ensued regarding internships in the Water/Wastewater Treatment Plants.

Mr. Ellis then informed Council that since the budget process began the Sewer Plant has experienced a leak in its roof. He explained that he has \$5,000.00 in the proposed budget to replace shingles at the lift station on Caledonia Road. He then stated that with the sewer plant roof and the lift station on Caledonia Road both needing new shingles, an estimate of \$15,000.00 was received to cover both.

A consensus among Councilmembers was to change line item 822-501500 (Maintenance and Repair Buildings) to \$15,000.00 for the repair of two roofs.

Mrs. Carpenter stated that the contingency line item in the Water/Sewer Fund would now be \$260,192.00.

Water Distribution

Mr. Stacey McQuage, Public Utilities Director, gave an overview of the Water Distribution budget.

He explained that a large portion of the budget of this department is reimbursed to the City by Scotland County for servicing and maintaining the Scotland County Water System.

There were no changes at this time.

Cross Connection

Mr. McQuage stated that this is a one-man department which is State mandated. The person monitors the back-flows in the City and Scotland County systems.

He explained that the line item equipment replacement has a total of \$900.00 but that the needed equipment was actually purchased in last year's budget; therefore, that amount of money should be deleted from the equipment replacement line item.

There was a consensus among Councilmember to remove the \$900.00 per Mr. McQuage's recommendation.

Sewage Collection

Mr. McQuage stated that the employees in the water distribution department also handle the sewage collection department; therefore, the employee's salaries are distributed one-half to each department.

SOLID WASTE

Mrs. Carpenter gave an overview of the projected revenues for the upcoming 2011-2012 Fiscal Year budget.

She explained that upon Council's recommendation, in order to receive the same revenue as was received last year, a \$1.00 per month increase has been added to the residential fee and commercial fees have been increased 4 per cent. She then explained that these increases would offset approximately \$80,000.00 of money that would have been transferred from the General Fund. She stated that the actual cost to the City is \$102,000.00 but that there is also one employee who will be reduced because of the additional trucks to be purchased. The salary of that employee will make up the difference. This also takes into consideration the fact that Scotland County has increased its tipping fees.

Upon question, she stated that the employee would be absorbed through attrition.

A discussion then ensued on the solid waste fees, and the consensus of Council was for staff to increase commercial fees by 4.35 per cent.

Sanitation

Mr. McQuage stated that there are two trucks proposed in this budget. He explained that there is a front-end loader truck and a side loader truck being requested.

Cindy Carpenter stated that these trucks would be financed. She explained that the capital estimate on the two trucks is \$54,000.00. She then explained that the leaf vacuum truck that was purchased last year is also being financed.

Upon question by Councilmember Leak, Mrs. Carpenter stated that the purchase price for the trucks is \$220,000.00 each; therefore, financing will be \$440,000.00

She explained that the proposed financing is calculated on ten years.

A discussion ensued on the financing of the two trucks.

There was a consensus among Councilmembers that financing be calculated for eight years and that the same be included in the budget.

The City Manager stated the schedule of fees has been reviewed and updated by staff.

Mrs. Carpenter advised that the solid waste fees contained in the current document would need to be revised based on Council's direction to increase the commercial solid waste fees.

A discussion ensued regarding the schedule of fees.

Mayor Block asked about the overtime parking fee.

The City Manager advised that State law sets the amount of fees charged on State highways and that the road in the downtown area is a State highway.

Mrs. Carpenter stated that her understanding is that if the City charges more than the State allows for municipalities, the overage would become State revenue.

Upon question by Councilmember Ellison, the City Manager explained that there is a State established set of fees.

Councilmember Ellison suggested that the carnival and fairs fee be reviewed. She stated that she would like to see the exhibit and trade show fees be reduced.

The City Manager stated that he would like to discuss the trade show fee with the Chief of Police.

A discussion ensued on exhibits, trade shows, carnival and fair fees and several other fees.

There was consensus among Council to accept the fee schedule once the solid waste fees are changed.

Councilmember Leak stated that the Fourth of July Fireworks display is soon approaching.

The City Manager stated that Scotland County would not be participating in the cost of the fireworks display this year.

Motion was made by Councilmember Leak and seconded by Councilmember Spencer to fund the total amount (\$11,500.00) of the fireworks display. The motion carried with the only dissenting vote being cast by Councilmember Parker.

Councilmember Rainer suggested that Council should not commit to a fireworks display before May 1, 2012.

Upon question by Councilmember Parker, Mrs. Carpenter stated that in the General Fund there is \$430,092.00 "parked" which means allocated to the contingency line item. She reported that the General Fund estimated budget at this time is \$7,669,550.00. She also reported that \$3,195,700.00 of the \$7,669,550.00 comes from the tax levy.

The City Manager stated that the funds allocated to the Laurinburg Downtown Revitalization Corporation are in contingency.

Councilmember Parker suggested that funds be put back in the proposed budget in the appropriate line item.

The City Manager also stated that in the Planning and Zoning Department there were 2½ positions originally requested and that it has been raised to three positions. He explained that Bill Peele will be retiring in January and that another person would then be brought in. He suggested that a person be employed early summer so that Mr. Peele can train the person in accord with the transition plan discussed.

Councilmember Spencer suggested that before a decision is made about the Planning and Zoning Department that reorganization be discussed.

Councilmember Parker suggested that the tax rate be set at .40 per \$100.00 because of revaluation it reflects more money than the current tax rate of .42 per \$100. He also suggested that Council freeze any organizational changes until the Pay and Classification Plan is presented to Council.

A discussion ensued on the proposed suggested tax rate of \$0.40 per \$100.00. Councilmember Spencer stated he did not want to tie the organizational changes to the pay study.

Motion was made by Councilmember Ellison to reduce the tax rate (which is currently \$0.42 per \$100.0) to \$0.40 per \$100.00. Councilmember Spencer seconded the motion and it unanimously carried by the following vote:

Ayes: Ellison, Leak, Parker, Spencer

Nay: Rainer

RECESS

Motion was made by Councilmember Parker, seconded by Councilmember Leak, and unanimously carried to recess the meeting until Thursday, June 23, 2011 at 5:30 p.m.

The meeting recessed at 8:57 p.m.

Matthew Block, Mayor

Dolores A. Hammond, City Clerk