

**CITY OF LAURINBURG
RECONVENED COUNCIL MEETING
JUNE 15, 2015
MUNICIPAL BUILDING
303 WEST CHURCH ST.
6:15 p.m.**

MINUTES

The City Council of the City of Laurinburg reconvened its May 13, 2015 meeting which was recessed until 6:00 p.m. on June 8, 2015, which was recessed until this date and time, to wit, June 15, 2015 at 6:15 p.m., in the council room of the Municipal Building with the Honorable Thomas W. Parker III, 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; and Jennifer A. Tippet, City Clerk.

Leadership Team members present included: Harold Haywood, General Services Director; Stacey McQuage, Public Utilities Director; Robert Smith, Electrical Services Director; Robert Ellis, Treatment Plants Director; Randy Gibson, Fire Chief; Darwin Williams, Police Chief; Teddy Warner, Community Development Director; Betty Galloway, HR/Risk Management Director; and Josh Coble, IT Manager.

Mayor Parker called the meeting to order at 6:15 p.m.

Councilmember Hammond gave the invocation.

FY 2015-2016 BUDGET DISCUSSION

The City Manager explained that the budget ordinance had been prepared based upon input from the June 9, 2015 budget meeting. He added that staff prepared a spreadsheet with detailed summaries of all employees' salaries and benefits and imported that spreadsheet into the existing detail file. He further added that it was discovered that there will be an additional pay period next year due to the leap year.

Mr. Harold Haywood discussed the extra pay period and explained that he had discussed how to handle it with the auditor.

The City Manager explained that the proposed budget was balanced without using fund balance from the enterprise funds and using only \$227,133.00 of fund balance in the General Fund.

Mrs. Betty Galloway discussed a change in the deductible for employees' health insurance from \$500.00 to \$1,000.00, which would save the City approximately \$50,000.00 in this year's budget. She provided information concerning usage by employees of the health insurance, and added that the change will not affect many employees.

Discussion ensued concerning the Fund Balance necessary to balance the budget. The City Manager explained that on June 9th, the amount needed from fund balance to balance the budget was approximately \$323,000.00, and that that amount was now \$227,133.00. He added that the \$149,000.00 for the fire truck had been removed and the two percent (2%) COLA was included.

Discussion ensued concerning correspondence from the Local Government Commission (LGC) concerning the FY 2013-2014 audit regarding the Electric Fund and the Water/Sewer Fund not providing sufficient revenues to cover operations.

The City Manager explained that staff and the electric engineer are gearing up for the electric rate study to be conducted after the NCEMPA/Duke Progress Energy Asset Sale is complete. He added that the Water/Sewer Fund issue is being addressed with the fee increases.

Councilmember Leak expressed concerns about increasing the health insurance deductible for employees.

Discussion ensued concerning the cost of health insurance for employees, the cost for the family plan option for employees, and the deductible.

Motion was made by Councilmember Hammond, seconded by Councilmember Willis, and unanimously carried to leave the health insurance plan deductible at \$500.00 for employees.

Discussion ensued concerning dental insurance and that employees are offered long-term disability insurance (employee must pay the cost).

Discussion ensued concerning using the fund balance policy and use of fund balance. Councilmember Williamson commented that in FY 2014-2015, \$700,000.00 of fund balance was budgeted in order to balance the budget, and that the City typically does not use the entire budgeted amount.

The City Manager explained that the cut-off for purchase orders was the previous week, and Ms. Carrie Neal and Mrs. Mary McNeill are working diligently to determine the City's revenues and expenditures to this point. He added that plans are to have a clean trial balance to the auditor by August 14, 2015.

Mr. Robert Ellis explained that the aerator costing \$90,000.00 had not yet been delivered and may require a budget amendment to move from FY 2014-2015 to the FY 2015-2016 budget, depending upon its delivery date. He cautioned that there may be additional budget amendments where staff must request additional funding in the next fiscal year due to the cuts that were made by staff to balance the budget.

Mayor Parker explained that Council appreciates staff trying to be frugal. He thanked staff for its approach in handling a difficult budget under a somewhat difficult situation.

ADJOURN

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

The meeting adjourned at 7:03 p.m.

Thomas W. Parker III, Mayor

Jennifer A. Tippet, City Clerk