CITY OF LAURINBURG
RECONVENED COUNCIL MEETING
JUNE 3, 2014
MUNICIPAL BUILDING
303 WEST CHURCH ST.
7:00 p.m.

The City Council of the City of Laurinburg reconvened its April 22, 2014 meeting which was reconvened on May 12, 2014 and recessed until 6:00 p.m. on May 20, 2014, which was reconvened on May 20, 2014 at 6:00 p.m., which was reconvened on May 21, 2014 at 6:00 p.m., on Tuesday, June 3, 2014 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; Jennifer A. Tippett, City Clerk; and William P. Floyd, Jr., City Attorney. Leadership Team members present included: Cindy Carpenter, Finance Director; Harold Haywood, General Services Director; Betty Galloway, Human Resources/Risk Management Director; Stacey McQuage, Public Utility Director; Robert Ellis, Water/Wastewater Treatment Director; Robert Smith, Electrical Services Director; Police Chief Darwin Williams; Fire Chief Randy Gibson; Tim Pierce, GIS Administrator/Cemetery Supervisor; and Mac McInnis, Planner/Zoning Officer.

Mayor Parker called the meeting to order at 6:00 p.m.

Councilmember Willis gave the invocation.

APPROVAL OF AGENDA

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

PUBLIC HEARING

A motion was made by Councilmember Williamson and seconded by Councilmember Adams to set a public hearing to be held Tuesday, June 17, 2014 at 7:00 p.m. to consider amending the Unified Development Ordinance with regard to the flood plain maps approved by Council at its May 20, 2014 meeting.

BUDGET

The City Manager explained that the plan for the grounds maintenance for the Highway 74 interchanges is for crews from Beautification, Streets and the Ditch Crew to do yearly tree and shrubbery pruning and removal. He added that the Ditch Crew would be hired one (1) week earlier each year at minimal cost to the City.

The City Manager explained that Mr. Harold Haywood would discuss dumpster fee options at the June 10, 2014 meeting.

Mr. Nichols stated that the budget being presented reflected a reduction from $65,000.00 to $25,000.00 in revenue from privilege license fees due to House Bill 1050 prohibiting charging more than was charged the previous year for privilege licenses.

Mr. Nichols presented a summary of the budget and the City's four (4) funds showing projected revenues, the fund balance that has been appropriated to balance the budgets if needed, and the total expenditures. He discussed the following:

- The Electric Fund includes a new line truck with a transfer of $60,000 from the General Fund to the Electric Fund to offset the purchase of the line truck.
- No Electric Fund monies appropriated in other funds.
- Costs cut throughout the budget especially in the Electric Fund.
- Hopefully the Duke Progress Energy/ElectriCities agreement will give the City more flexibility.
- Electric and water rates will need to be reviewed next year in conjunction with updates to Water and Wastewater Treatment Plants.
- Appropriation of approximately $530,000.00 of the Fund Balance to the General Fund.
- Projected to spend $4.3 million of Fund Balance by end of current year, or at 46.21%.
- No Fund Balance appropriated from the Electrical Fund and did not transfer the budgeted monies from the Electric Fund to the General Fund, resulting in a flat effect on the Electric Fund.
- Projecting the effect on that Fund Balance to be a flat one. Will still be at 32-33% at the end of this current year.
- Currently have $2.8 million in the Water/Sewer Fund Balance.
- Final bond payment from 1994 annexation.
- Revenue numbers are conservative due to the unknown with FCC. Original date of operation was Feb 1 and they are now testing until the fall of this year. FCC currently has only 1 line in with 2 more to be added in the future. When FCC is up and running and using its projected 600,000 gallons a day it will not be necessary to use the projected Fund Balance numbers.
- $28 million in the fund balance in the last budget, projected to use $450,000 in this current year. Leaving $27.5 million at the end of this year.
- Did put back in $300,000 for new well for Water/Waste Water.
- Currently appropriating $160,000 of Fund Balance to Solid Waste. Looked at fees in Solid Waste in the budget and there are a lot of one time fees and a conservative recycling revenue amount of $95,000. 00
- Projection of capital outlay for FY 2014-2015.

COLA OPTIONS

The City Manager presented the following in connection with Cost of Living Adjustment (COLA) for employees:

	2.00%	2.50%	3.00%	$700	$1,000
General	$73,458	$91,825	$110,188	$67,849	$96,927
Electric	$10,702	$13,378	$16,054	$9,885	$14,121
Water/Sewer	18,472	23,090	$27,708	$17,062	$24,374
Solid Waste	$11,048	$14,332	$17,200	$10,204	$14,578
Total	$113,680	$142,625	$171,150	$105,000	$150,000

Upon question by Councilmember Leak, the City Manager explained that the figures presented for COLA Options is based on 150 employees since the City is not currently fully staffed. He added that currently the only employees that receive any raise are those who receive a certification and those who complete probation period.

Chief Williams explained that currently his new police officers are being paid the same as some of the veteran officers who are training them.

Mr. Ellis explained that part of the issue involves the structure of the pay scale in that employees earn certifications that would enable them to be promoted; however, the number of positions at pay grades is limited by the pay plan.

Discussion ensued concerning ways to retain employees. Mayor Parker suggested conducting exit interviews in order to find out why employees leave the City. Mrs. Galloway stated that exit interviews are conducted when an employee leaves.

A discussion ensued concerning benefits for employees who leave the City and want to be return to the City. Mayor Parker requested Mrs. Galloway to review the Personnel Policy and inform Council what the policy says about benefits for returning employees.

Mr. Nichols stated that options on how to retain staff will be discussed at the retreat.

Mr. Ellis recommended adding merit pay to the retreat agenda.

Discussion ensued concerning performance evaluations such as the need for completing an evaluation if the employee is not going to get a merit increase, and the length and complexity of the form.

Upon question by Councilmember Hammond, Mrs. Galloway explained that she was researching revising the evaluation form.

Mr. Ellis expressed concern with the length of evaluations as well as concern for preparing the evaluations and then Department Heads having to tell employees they did a good job, but there is no merit pay.

Discussion resumed concerning COLA options for employees. The City Manager explained that it would be easier in the finance software to give a percentage increase rather than a set amount across the board.

Councilmember Leak expressed concern regarding the dollar amount difference for an employee earning $20,000.00 versus an employee earning $70,000.00.

Councilmember Willis explained that he would prefer that employees be given a $1,000.00 across the board increase.
Councilmember Adams stated that she preferred the set amount; however, she expressed concern about the total amount of a $1,000.00 increase.

Discussion ensued concerning a $1,000.00 bonus.

Councilmember Hammond explained that City employees are enrolled in the Local Government Employees Retirement System and there would be no impact on their retirement benefits in the long run if a bonus is given since the benefits are calculated on the last four (4) years of employment.

Councilmember Williamson explained that with giving an increase, it sends the message that it is not a one-time thing in his mind, and Council values employees and wants to keep good employees.

Mayor Parker expressed concern that an across the board amount for all employees penalizes employees who have worked to attain educational levels and certifications and who manage.

Mr. Ellis explained that a one-time bonus rewards employees who perform just well enough to get by as those who give 110% and work hard to improve themselves.

The City Manager explained that the biggest benefit to employees would be a COLA increase whether it is a percentage or a set amount, as a COLA increase affects retirement benefits and a bonus would not.

Councilmember Willis motioned to give $1000.00 across the board pay increase to all employees. The motion was seconded by Councilmember Leak, and the vote was as follows:

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

The City Manager explained that with all of the unknowns concerning FCC and the Duke Progress Energy/ElectriCities purchase, expenditures were cut by staff in preparing the budget; however, in the coming years there may be some big ticket items that will need to be addressed in the budget.

Councilmember Hammond stated that in the past the City used a 5-Year Plan for capital purchases. She added that she felt this helped with the budget process.

The City Manager explained that he is working on a Capital Improvement Plan and will present to Council once he has a draft.

ADJOURNMENT

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

The meeting adjourned at 7:25 p.m.

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