APPROVED BK 20 PG 33

CITY OF LAURINBURG
CITY COUNCIL MEETING
MARCH 21, 2023
CITY HALL AND POLICE DEPARTMENT
303 WEST CHURCH ST.
6:00 p.m.

Minutes

The City Council of the City of Laurinburg held its regular meeting on Tuesday, March 21, 2023, in the Council Chambers of the City Hall and Police Department at 6:00 p.m. with the Honorable James T. Willis, Mayor, presiding. The following Councilmembers were present: Mary Jo Adams, Mary Evans, Rosemary Rainer, Barbara Rogers, and Andrew G. Williamson, Jr.

Also present were Charles D. Nichols III, City Manager; William P. Floyd, Jr., City Attorney; Harold W. Haywood, City Clerk; and Susan K. Coble, Deputy City Clerk.

Mayor Willis called the meeting to order at 6:00 p.m. Councilmember Williamson gave the Invocation and led the Pledge of Allegiance.

APPROVAL OF AGENDA

Councilmember Adams moved to approve the agenda, with second by Councilmember Rainer and the vote was unanimous.

RECOGNITIONS

Mayor Willis recognized members of the Laurinburg Junior Service League by presenting each member in attendance with a pin from the City of Laurinburg. Mr. Willis expressed sincere appreciation for the service that they provide to the community. Mrs. Mary Beth Locklear, Vice President of the Junior Service League, thanked the Mayor and City Council for recognizing the organization. Mrs. Locklear expressed that the organization serves and contributes back to the community in various ways and announced that there will be an upcoming fundraiser on April 22, 2023 at the Northern Complex. She expressed that the organization would appreciate everyone that would come out for support.

Mayor Willis also recognized two retirees in the Laurinburg Police Department by presenting a plaque of appreciation to Kris Eric Singletary and Clint Thomas Gooselin. The wording on the plaques read as follows:

PRESENTED IN RECOGNITION AND SINCERE APPRECIATION TO

KRIS ERIC SINGLETARY
LIEUTENANT

DECEMBER 1998 – APRIL 2023

In special tribute for over 25 years of dedicated public service as an employee of the City of Laurinburg. Kris took an Oath of Office and became a Laurinburg Police Officer on December 7, 1998; and then was promoted, where he remained until his retirement on April 1, 2023. During his tenure with the City of Laurinburg, Kris was instrumental in the oversite of maintaining of fleet vehicles and Citizens on Patrol, provided critical support in the supervision of the Command FTO program.

We are appreciative of the professional service to the citizens of Laurinburg and this community.

We wish him many more years of continued success in this next chapter of his life.

Presented this the 21st day of March 2023, by the Mayor and City Council.

Mayor James "Jim" Willis

Mayor Pro Tem Mary Evans — Councilmember Mary Jo Adams

Councilmember Rosemary Rainer — Councilmember Barbara Rogers

Councilmember Drew Williamson

PRESENTED IN RECOGNITION AND SINCERE APPRECIATION TO

CLINT THOMAS GOOSELIN
CRIME SCENE INVESTIGATOR

JANUARY 2019 – APRIL 2023

In special tribute for dedicated public service as an employee of the City of Laurinburg. Clint took an Oath of Office and became a Laurinburg Police Officer on January 20 2019 and then was promoted to Crime Scene Investigation, where he remained until his retirement on April 1, 2023. During his tenure with the City of Laurinburg, Clint was instrumental in the oversite of maintaining Evidence collection and professional standard.

We are appreciative of the professional service to the citizens of Laurinburg and this community.

We wish him many more years of continued success in this next chapter of his life.

Presented this the 21st day of March 2023, by the Mayor and City Council.

Mayor James "Jim" Willis

Mayor Pro Tem Mary Evans — Councilmember Mary Jo Adams

Councilmember Rosemary Rainer — Councilmember Barbara Rogers

Councilmember Drew Williamson

PUBLIC COMMENT PERIOD

There was no one present to speak.

CONSENT AGENDA

Mayor Willis read aloud the Consent Agenda:

a) Consider minutes of February 21, 2023, Citizen Input Session and February 21, 2023, Regular Meeting
b) Consider Resolution No. R-2023-05, Findings of Fact for Special Use Permit at 1703 Stonewall Road
c) Consider Semi-annual Surplus Sales Report
d) Set public hearing on Tuesday, April 18, 2023, at 6:00 p.m. to consider a special use permit to allow microblading at 1000 S. Main St.
e) Set public hearing on Tuesday, April 18, 2023, at 6:00 p.m. to consider a special use permit to allow for the development of an 84-unit apartment complex on Plaza Rd.
f) Consider road closure of Railroad Street, from South Main St. to N. Gill St., for the Suds & Swine BBQ Festival, from 3:00 p.m. April 14th to 7:00 p.m. April 15th.

Councilmember Adams moved to approve the Consent Agenda. Councilmember Evans moved to second the motion, and the vote was as follows:

Ayes: Adams, Evans, Rainer, Rogers, Williamson
Nays: None
(copy of Resolution No. R-2023-05 and Semi-annual Surplus Sales Report on file in clerk's office)

CONSIDER RESPONSE TO LOCAL GOVERNMENT COMMISSION ADDRESSING FINANCIAL PERFORMANCE INDICATORS OF CONCERN FOR FISCAL YEAR 2022 AUDIT

The City Manager explained that, per 20 NCAC 20 03 .0508, if a unit is notified by its independent auditor that the unit's audited financial statements included one or more significant deficiencies, material weaknesses, or other findings, or if Financial Performance Indicators of Concern (FPIC) were identified, the governing body must develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters" signed by a majority of the members of the governing body and submitted to the Local Government Commission (LGC) within 60 days of the auditor's presentation.

The City Manager explained that the audit was presented during last month's regular council meeting, and this was the second year of a new process whereby the city must respond to any performance indicator of concern following the annual audit presentation, instead of waiting to receive a letter from the LGC related to any concerns. There were four indicators that needed a response.

The City Manager provided the following response recommended to the LGC related to the FPIC:

GENERAL FUND

Response to Fund Balance Available for Appropriation:

- The LGC now recommends a Fund Balance Available for Appropriation at a minimum of 34%. Our current Fund Balance Available for Appropriation Policy is 23%. This policy will be updated to include the language "establish the goal of maintaining an available fund balance in the General Fund in an amount of 34%." We have always maintained a healthy Fund Balance, per policy, and will continue to do so while increasing that amount to the equivalent of 4 months' expenditures. With the implementation of GASB 87 and prior period adjustments for receivables, the Stabilization by State Statute percentage increased, thus lowering the amount of Fund Balance Available for Appropriation. The change in receivables year over year is what drives the change in Restricted-Stabilization by State Statute reporting requirement.

ELECTRIC FUND

Response to a ratio of Unrestricted Cash divided by Total Expenses excluding depreciation plus debt service principal is less than 16% or approximately two-month expenses:

- To improve the ratio of unrestricted cash divided by total expenses excluding depreciation plus debt service principal ("cash to expense ratio"), the City of Laurinburg has substantially completed the New Substation Capital Project, funded with unrestricted cash from the Electric Fund, which should generate 16% cash to expense ratio over a period of 2-3 years. We estimate that with the completion of this capital project unrestricted cash will improve.

AUDIT REPORT

Response to Audited Financial Statements:

- The new GASB 87 standard took longer for the auditors to verify the necessary data accumulated and provided by city staff and required extra time. In addition, it was a year of auditor transition, and additional time was required to test beginning balances and set up the financial statements. GASB 87 implementation should not be an issue in future years as everyone becomes more familiar with the requirements of the standard, and the auditor now understands our entity, so timeliness should not be an issue going forward.

GENERAL PERFORMANCE INDICATORS

Response to the Budget Violations:

- GASB 87 will impact the budgets going forward and will be considered as part of the budget process, to minimize budget violations because of over expenditure.
- The omission of the budget transfer from the General Fund to the Solid Waste Fund, to properly pay for and record an asset in the Solid Waste Fund, was an oversight. All other

transfers for the fiscal year ended June 30, 2022, were recorded in a complete, accurate and timely manner.

Response to material weaknesses, significant deficiencies, and/or statutory violations:

- The year end accrual procedures have been updated for both the governmental and business-type activity funds to ensure proper accrual of receivables and billings. Allowance for doubtful accounts will be formulaically determined going forward (this figure, being an estimate, will always be subject to some conjecture). Accrued interest will be tracked and adjusted at year-end.

Councilmember Adams moved to approve the responses to the Local Government Commission for the financial performance indicators of concern identified by the independent auditor for the Fiscal Year 2022 audit. Councilmember Evans moved to second the motion, and the vote was unanimous.

RESOLUTION NO. R-2023-06 TO AMEND FUND BALANCE POLICY

The City Manager discussed an amendment to the Fund Balance Policy that includes the language to "establish the goal of maintaining Fund Balance Available for appropriation of thirty-four percent (34%) of the total of General Fund expenditures and an Unassigned Fund Balance of sixteen percent (16%) of the total of General Fund expenditures at the end of each fiscal year," per the minimum thresholds recommended by the Local Government Commission (LGC).

The City Manager explained that this resolution is being presented in response to the audit. The LGC compares the city with other municipalities that have a population under 100,000 in determining the appropriate threshold for available fund balance, which is currently recommended to be 34%. The manager further explained that in the past the LGC has recommended an eight percent (8%) unassigned fund balance, which basically provides the cash needed to pay at least one month of expenditures to deal with any cash flow issues. The manager explained that the city has a fund balance policy that sets the goal of sixteen percent (16%) of unassigned fund balance and twenty-three percent (23%) total fund balance. The manager explained that this goal would be adjusted each year if necessary, depending on LGC recommendations based on comparable audit results from other municipalities this fiscal year. Councilmember Williamson questioned if the LGC would increase the number again for next year. The manager stated that he felt that this number would be a moving target due to the wide range the LGC uses to compare municipalities versus comparing Laurinburg with other similarly sized cities, but it only applies to the General Fund.

Councilmember Rainer asked if this policy would put a burden on any of the citizens. The City Manager stated that it would not put a direct burden on the citizens, as far as maintaining services, but this policy would need to be considered when developing the annual budget to ensure the goal of 34% is maintained. Councilmember Williamson questioned if other similarly sized cities will also be adopting policies such as this one. The manager answered yes and further explained that it would even be more pressing for smaller communities and that the LGC may be making adjustments to their ranges when making comparisons to be more equitable. Councilmember Evans inquired if there would be any issues as a whole with the City of Laurinburg. The City Manager stated that the city is extremely strong financially, due the city being heavily driven on the utilities side, but the thirty-four percent (34 %) of General Fund total fund balance available goal could go up or down next year depending on what other municipalities audit results look like this coming year.

Councilmember Williamson moved to approve Resolution No. R-2023-06 to amend the City's Fund Balance Policy by establishing a goal to maintain Fund Balance Available for appropriation of thirty-four percent (34%) of the total of General Fund expenditures and an Unassigned Fund Balance of sixteen percent (16%) of the total of General Fund expenditures at the end of each fiscal year. Councilmember Rainer moved to second the motion, and the vote was as follows:

Ayes: Adams, Evans, Rainer, Rogers, Williamson
Nays: None
(copy of Resolution No. R-2023-06 on file in clerk's office)

CRESTLINE PUMP STATION RENOVATION PROJECT BIDS

The City Manager explained that sealed bids for the construction of the Crestline Pump Station Renovation Project were received and opened at a public bid opening on Tuesday, January 10, 2023, at 2:00 P.M. Four (4) bids were submitted from general contractors. The lowest, responsive, responsible bidder was submitted by Step Construction in the amount of $506,000 for the project. The city was awarded a Golden Leaf grant for this project, with an allocation for construction in the amount of $413,000. The city's consulting engineering firm has been unsuccessful in negotiating with the lowest bidder to get the project cost within available funds. Therefore, engineers and staff are recommending the rejection of all bids received on January 10th and that the project be redesigned and rebid to get the project cost within the budgeted funds.

The City Manager stated the city has an old, abandoned sewer line and pump station that runs out to the former Crestline Facility. Over the years, conditions forced Crestline to decrease in the number of employees, so they disconnected from the city sewer line and started using a septic tank to cut back on their expenses. The manager stated the sewer line and pump station will be back in operation due to the announcement of Champion Homes purchasing the facility and to meet their needs.

The City Manager stated that once the scope of the project is redesigned, the bids for the project should be lowered to be within budget, but the current submitted bids must be rejected first to start the rebid process. Mayor Willis inquired if any of the existing sewer line is being used. The manager stated that the existing line and pump have been sitting unused for approximately eight (8) years, due to Scottish Pines relocating and Crestline disconnecting. The manager also stated that some parts of the existing system will be used, so instead of rebuilding the entire system, the redesign will keep some in place to get the bids within the budget.

Councilmember Evans asked if the bidders went out and looked at the existing sewer line and pump station. The City Manager stated the city did get quotes beforehand, but during the timeframe of Champion Homes working with the state to get incentives, construction costs had increased due to inflation.

Councilmember Rainer moved to reject all the bids received on January 10th, 2023, for the Crestline Pump Station Renovation Project and authorize staff to re-bid the project, with second by Councilmember Evans and the vote was unanimous.

ORDINANCE NO. O-2023-03 TO AMEND THE WATER & SEWER CAPTIAL PROJECT FUND FOR THE ELEVATED STORAGE TANK IMPROVEMENTS PROJECT

The City Manager explained that the city was approved for State ARPA-Earmark funding in the amount $3,890,000 for Elevated Storage Tanks Improvements. A budget amendment is needed to amend the capital project for the Water/Sewer Capital Project Fund (Elevated Storage Tanks Improvements) to account for the increase in funding and allocate expenditures needed for this project.

The City Manager stated that this project is designated for improvements to the elevated storage tank on Caledonia Road. The manager further explained the capital project fund would need to be amended for $3,890,000 to receive and expend the funds for the Elevated Storage Tank Improvements Project. Mayor Willis inquired if this would include taking the old tank on McKay Street down. The manager explained that the McKay Street tank will be used to service all the customers in that area while the Caledonia storage tank is being completed, and once those improvements are complete on the Caledonia tank, the process will begin for the removal of the McKay tank. The mayor questioned the course of action for future repairs to the Caledonia tank if the McKay tank is removed. The manager stated other feasible options will be explored in the future, but the McKay tank has surpassed its useful life and due to its condition, it does need to be removed once Caledonia is complete. The mayor asked how many tanks the city has. The manager explained that the city has three tanks, in addition to the raw water tank that is located at the FCC facility, and the county has three tanks also.

Councilmember Adams moved to approve Ordinance No. O-2023-03 to amend the Water/Sewer Capital Project Fund by increasing revenues from State Government Grants (line item 90-434800) by $3,890,000, increasing expenditures for Engineering (line item 925-506500) by $370,000, and increasing expenditures for Construction (line item 925-707200) by $3,520,000. Councilmember Williamson moved to second the motion, and the vote was as follows:

Ayes: Adams, Evans, Rainer, Rogers, Williamson
Nays: None
(copy of Ordinance No. O-2023-03 on file in clerk's office)

VOTING DELEGATES FOR NCLM CITY VISION CONFERENCE

The City Manager stated that, historically, the manager has been designated as the voting delegate and one of the governing body members attending the North Carolina League of Municipalities City-Vision Conference as the alternate delegate. The manager explained that he will not be attending the entire conference due to scheduling conflicts, therefore, the city needs to designate a voting delegate, as well as an alternate. Currently attending, in addition to the manager, are Mayor Willis, Councilmember Adams, Councilmember Evans, Councilmember Rainer, Councilmember Rogers, and Councilmember Williamson. A discussion ensued concerning who would be available to serve as voting delegates.

Councilmember Adams moved to appoint Mayor Willis as the in person voting delegate and Councilmember Rogers as the alternate in person voting delegate and appoint the City Manager as the voting delegate for any electronic voting. Councilmember Rainer moved to second the motion, and the vote was unanimous.

UPDATE ON THE POTENTIAL USE OF THE COUNCIL CHAMBER FOR SCOTLAND COUNTY BOARD OF COMMISSIONERS MONTHLY MEETINGS

The City Manager reminded the board that at last month's regular council meeting, the council discussed the request by the Scotland County Board of Commissioners to utilize the City Hall Council Chamber for their regular monthly meeting. The council directed the city manager to explore what the costs would be to allow this use and what the city should ask the county to consider offering the city in-kind to help cover this cost. The city manager stated he has discussed this issue with staff to provide recommendations to the Council.

The City Manager explained that the following would be extended to the county in exchange for temporary use of the chambers for two years for their monthly meetings. The cost factors to consider are utilities, janitorial services, staff needs, security, repairs, and maintenance. The manager stated that he was directed by the council to consider what could be asked from the county to offset these expenses. The manager proposed the following for the city to ask for the county's consideration:

1. County to waive the C&D tipping fees charged to the city for all demolitions. This is the cost of taking debris from demolitions to the county C&D landfill for disposal.
2. County to waive the MSW tipping fees for city residential routes. This is the cost charged for municipal solid waste collected from residential routes in the city.
3. Waive building inspection fees. This would be for any future potential construction that the city undertakes.

4. Cost of personnel: the county would contribute a $50,000 annual payment to the city to cover the cost of someone being in attendance to operate the equipment, which in return would help offset the salary, etc.

Councilmember Adams inquired about how many of our current staff members would need to be in attendance for the county's monthly meeting. The manager explained that currently one staff member operates the AV System, HVAC, and the locks and lights due to everything being set up on timers in the building. Councilmember Evans asked if everything would go back to normal after the two years. The manager explained that is his understanding from the county manager. The manager added that he was told that the county is looking into building their own commissioners chambers, possibly at the I. Ellis Johnson Building and that they have applied for grants to build a new 911 building beside the EOC building but was unsure which building they would try to incorporate the commissioner's chambers into. The manager reiterated that in the conversation with the county manager, it would be temporary use for up to two years. Mrs. Adams asked if that would include using city police officers in the area for security. The manager security was factored in as well, especially with the county usually having more in attendance, so they would work with the police chief to have someone in place. Councilmember Williamson asked if this proposal would need a motion to be approved to send to the county. The manager stated that a consensus is needed as to whether this is what the council wants to request from the county. Mr. Williamson stated that the council should authorize the manager to take the proposed items to the county and see what their response is and if they offer something different in return. Councilmember Rogers said that she did not see any other unforeseen concerns that have not already been mentioned as far as them occupying the space.

BUDGET RETREAT DATE

The City Manager explained that as part of the budget process, the council typically holds a budget retreat to consider the input received from the Citizen Input Session and formulate budget priorities for the manager and staff to include in the preparation of the city's annual operating budget. City departments have submitted their budget requests and a preliminary draft of the budget will be available for council to review and discuss at the budget retreat.

The City Manager proposed that the budget retreat meeting be set prior to the city council meeting on April 18, 2023, from 4:00 pm to 5:30 pm. The manager stated that there are a lot of moving pieces that go into the budget, and this would gauge when the next budget meeting would need to be set after that.

Councilmember Williamson moved to call for a special meeting of the Laurinburg City Council on April 18, 2023, at 4:00 pm in the City Council Chamber located at City Hall, 303 W. Church Street, Laurinburg, NC to discuss all matters related to the budgets for Fiscal Year 2023-2024. Councilmember Rainer moved to second the motion, and the vote was unanimous.

COMMENTS FROM THE CITY MANAGER

The City Manager informed the council that he was working on scheduling a visit to Raleigh to visit with Representative Garland Pierce and Senator Danny Britt and possibly have lunch with them to discuss the appropriation request the city has submitted to the state to be included in the state budget and explain the need for the city. Councilmember Evans asked how many people could attend. The manager explained that as long as we publish the notice of possible quorum beforehand, all the members of the council can attend.

COMMENTS FROM MAYOR AND/OR COUNCILMEMBERS

Councilmember Adams gave each of the council members a "Division of Aviation" publication that comes out every two years. Mrs. Adams explained that the public airports annually contribute more than $72 billion in economic impact – 11% of the state's gross domestic product, its total output of goods and services. The airports also support 330,000 jobs that generated $23 billion in personal income and $3.7 billion in state and local tax revenue. The Laurinburg-Maxton Economic Output was $164,910,000 and just two years ago, it was $94,000,000, so that was the increase at our local airport. Councilmember Evans asked if there would be more money coming into the airport. Mrs. Adams stated they are hopeful. Councilmember Barbara Rogers asked was that from just transporting things in and out of the airport. Mrs. Adams explained that these numbers are not just what was transported at the airport, but also from the industry that is around the airport. Mrs. Adams added that it includes data on the number of employees and the businesses that are in that area and other factors. Discussion ensued concerning other economic activities and business operations in the airport area that would impact Scotland County and the entire region.

Councilmember Rogers asked if there were any updates on the downtown building project. The City Manager stated that the plan is to ask our representatives during the trip to Raleigh for additional financial assistance with this project. The manager stated that a request for an additional $1,500,000 from the state has been made to go along with the Rural Transformation Grant that we received of $650,000. The manager stated that currently there are fourteen thousand feet of asbestos tile throughout the upstairs and downstairs of the building. He added there is also asbestos in the boiler, and it would probably take a couple hundred thousand dollars to remove the asbestos from the building. The manager explained that we are holding off from using the Rural Transformation Grant funding until we find out if we can secure the additional funding from the state appropriations request.

Councilmember Evans inquired if we requested any funding for water projects. The City Manager stated that our state appropriations request this year is fifty-two million dollars. He reminded that last year's request was for the same amount and the city received about twelve million, so we are in hopes of having the same results this year. Councilmember Rogers asked if we had to cover the cost of acquiring the building. The manager stated that the city already owns the building. The city is not eligible for the Real Transformation Grant without having ownership and that is why the city was denied the grant the first time it applied. The manager stated the city has now been awarded the $650,000 from that grant, but it is just the tip of the iceberg on what is needed to get into the building. He added that the building does have an operating elevator in it that was last inspected in 2019 but if we secure the full $2,200,000, the city can really turn the building into a showstopper for Downtown Laurinburg.

(copy of Division of Aviation publication on file in clerk's office)

ADJOURNMENT

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

The meeting adjourned at 6:49 p.m.

James T. Willis, Mayor

Harold W. Haywood, City Clerk