

**CITY OF LAURINBURG
CITY COUNCIL MEETING
DECEMBER 15, 2020
CITY HALL AND POLICE DEPARTMENT
303 WEST CHURCH ST.
7:00 p.m.**

Minutes

The City Council of the City of Laurinburg held its regular meeting on Tuesday, December 15, 2020 in the Council Chambers of the City Hall and Police Department at 7:00 p.m. with the Honorable James T. Willis, Mayor, presiding and physically present. The following Councilmembers were physically present: Mary Jo Adams, Mary Evans, James J. Garby, Jr., Donald Rainer, and Andrew G. Williamson, Jr.

Also present were Charles D. Nichols III, City Manager; Jennifer A. Tippet, City Clerk; and William P. Floyd, Jr., City Attorney (via teleconference).

Mayor Willis called the meeting to order at 7:00 p.m.

Councilmember Evans gave the Invocation and led the Pledge of Allegiance.

APPROVAL OF AGENDA

Motion was made by Councilmember Adams to approve the agenda as submitted. The motion was seconded by Councilmember Garby, and the vote was as follows:

Ayes: Adams, Garby, Evans, Rainer, Williamson

Nays: None

PUBLIC COMMENT PERIOD

There were no comments submitted.

CONSENT AGENDA

Mayor Willis reviewed the Consent Agenda:

- a) Consider minutes of November 17, 2020 regular meeting
- b) Consider Resolution No. R-2020-10 adopting Public Water Supply Plan

Councilmember Adams moved to approve the Consent Agenda. The motion was seconded by Councilmember Garby, and the vote was as follows:

Ayes: Adams, Garby, Williamson, Evans, Rainer

Nays: None

CITY MANAGER REPORTS

FISCAL YEAR 2019-2020 AUDIT REPORT – MR. CARL HEAD

Mr. Carl Head of Roche, Head & Associates, PLLC presented the findings of the Fiscal Year 2019-2020 Audit with highlights as follows:

- Roche, Head & Associates, PLLC provides a reasonable, not an absolute assurance that the financial statements are accurate.
- The purpose of an audit is to form an opinion. The auditor has expressed an unmodified opinion, which is a good opinion.
- Fund Balance changes in the General Fund for the past four (4) years:

Net change in fund balance 2017	(\$459,343)
Net change in fund balance 2018	\$63,416
Net change in fund balance 2019	(\$760,488)
Net change in fund balance 2020	(\$325,594)

- Fund Balance in the General Fund started at the beginning of the fiscal year at \$2,939,009, and there was a loss of \$325,594, bringing General Fund-Fund Balance to \$2,613,415 as of June 30, 2020.
- Income or loss before transfers or other items for the Electric Water/Sewer and Solid Waste Funds for 2020 were as follows:

Electric Fund: \$1,503,114.00
Water/Sewer Fund: \$1,271,898.00
Solid Waste Fund: \$8,607.00

- Cash totals in the funds were as follows:

General Fund: \$2,733,238
Electric Fund: \$1,729,036
Water Fund: \$6,718,587
Solid Waste Fund: \$267,911
Total \$11,448,772

- The cash balances in the utility funds includes cash for capital projects that have already been earmarked by Council.
- Cash Flows from operations in the utility funds:

Electric \$1,663,000

Water/Sewer \$2,490,388
Solid Waste \$605,545

- The City still has significant money owed to it from FEMA. Hopefully these monies will be collected soon. These monies include reimbursements to the Solid Waste Fund and money for the North Fire Station.
- Available Fund Balance in the General Fund as a percentage of General Fund Expenditures is 24.45%. In prior year it was 30%. So this went down a little bit. You guys are well above the required 8% by the LGC.
- COVID-19 has had an effect on most businesses and government entities. Fiscal Year 2019-2020 includes only two (2) to three (3) months of the financial effects; therefore the current fiscal year 2020-2021 will more than likely see a larger negative impact. He urged caution on expenditures with the uncertainty of possible lockdowns, sales tax allocations, and collection of utility payments and property taxes.
- There were no significant findings to list in the audit. However, the same recommendations from the previous audit were reiterated: the fixed asset list needs to be kept up-to-date; and bank reconciliations do not always balance to the trial balance. Both of these areas have seen improvement, but staff should stay vigilant.

Upon question by Councilmember Evans, Mr. Head explained that City staff has a process in place for reconciliations. The issue with the bank accounts not reconciling with the trial balance is due to timing differences in when collections are made and when they hit they bank account. The issue is correcting itself on the next reconciliation.

Further discussion ensued concerning the bank reconciliations not balancing to the trial balance.

After clarifying that the General Fund-Fund Balance was at 24.5%, he inquired as to how much the City could be spent to get the percentage down to the recommended 8%.

The City Manager explained that several years ago, Council set a Fund Balance Policy so that the undesignated General Fund-Fund Balance could go no lower than 16%, and the total General Fund-Fund Balance could go no lower than 23%. So the Fund Balance is barely above the minimum set by Council.

Councilmember Garby explained that the 16% undesignated General Fund-Fund Balance was basically a two-month emergency fund.

Councilmember Rainer explained that he did not want to have any financial issues; however, there were projects that the City needed to undertake.

Discussion ensued concerning the financial uncertainties due to COVID-19.

Upon question by Councilmember Williamson, the City Manager explained that the City is owed approximately \$578,000.00 from the Federal Emergency Management Agency (FEMA) for damages from Hurricane Florence.

The City Manager explained that the Finance Department locked down expenditures early in 2020, and had that not been done, the City would not be in as good financial condition as it currently is.

Councilmember Evans clarified that the Water/Sewer Fund has \$6,718,587.00.

The City Manager explained that there are several capital projects in the Water/Sewer Fund, and that a bid for one of those projects was at \$1.2 million. He added that a major project is to replace the water line between the Caledonia Road water tank and the Water Treatment Plant, an estimated \$2.5 million.

Councilmember Evans inquired if money could be transferred from one fund to another.

The City Manager explained that a transfer between funds could only be done from the Electric Fund if there was a specific project identified. The statutes concerning fund transfers were changed several years ago by the General Assembly.

UPDATE ON COMMUNITY DEVELOPMENT BLOCK GRANT-INFRASTRUCTURE FOR PRODUCE MARKET ROAD AREA SEWER PROJECT

Ms. Karen Kiehna of McGill Associates explained that she is the Grant Administrator for the Community Development Block Grant-Infrastructure (CDBG-I) for the Produce Market Road Area Sewer Project. The grant requirements include that a compliance report must be filed annually. To date there have been no complaints submitted for the grant activities.

Ms. Kiehna explained that the construction phase of the project is coming to a close, and it appears that there will be approximately \$250,000.00 of undesignated funds remaining. Therefore, a project amendment will be submitted to extend the project to several other households in order to provide sewer improvements to more households.

CONSIDER AUTHORIZING THE MAYOR TO SIGN SIGNATORY AUTHORIZATION AND CERTIFICATION FOR COMMUNITY DEVELOPMENT BLOCK GRANT-INFRASTRUCTURE FOR PRODUCE MARKET ROAD AREA SEWER PROJECT

The City Manager explained that the Signatory Authorization and Certification for the Community Development Block Grant-Infrastructure (CDBG-I) for Produce Market Road Area Sewer Project needed to be updated due to personnel changes. He requested that Council authorize the Mayor to sign the Signatory Authorization and Certification for the CDBG-I Grant.

Motion was made by Councilmember Evans to authorize the Mayor to sign Signatory

Authorization and Certification for CDBG-I Grant #17-I-2966 for sewer improvements to Produce Market Road area. The motion was seconded by Councilmember Garby, and the vote was as follows:

Ayes: Evans, Garby, Williamson, Rainer, Adams

Nays: None

NOTIFICATION OF POSITION RECLASSIFICATION

The City Manager explained that according to the City's Personnel Policy, he must notify Council of a position reclassification. One (1) Sanitation Equipment Operator II (SEOII) has been reclassified to one (1) additional Sanitation Crew Leader (SCL).

CONSIDER ORDINANCE AMENDING THE FISCAL YEAR 2020-2021 BUDGET ORDINANCE

The City Manager explained that this budget ordinance is accept and allocate \$16,609.00 of grant funding for the Police Department for cameras and communication equipment.

Councilmember Williamson moved to approve Ordinance No. O-2020-14 amending the FY 2020-2021 Budget Ordinance (Ordinance No. O-2020-04) to accept and allocate \$16,609.00 of grant funds to the Police Department Materials and Supplies line item. The motion was seconded by Councilmember Rainer, and the vote was as follows:

Ayes: Williamson, Rainer, Adams, Garby, Evans

Nays: None

(Ordinance No. O-2020-14 on file in city clerk's office)

CONSIDER 2021 COUNCIL MEETING SCHEDULE

The City Manager reviewed the 2021 Council meeting schedule.

Motion was made by Councilmember Adams to approve the 2021 Council meeting schedule. The motion was seconded by Councilmember Garby, and the vote was as follows:

Ayes: Adams, Garby, Williamson, Evans, Rainer

Nays: None

CONSIDER FISCAL YEAR 2021-2022 BUDGET SCHEDULE

The City Manager reviewed the Fiscal Year 2021-2022 Budget Schedule.

Councilmember Adams moved to approve the Fiscal Year 2021-2022 Budget Schedule. Councilmember Williamson seconded the motion and the vote was as follows:

Ayes: Adams, Williamson, Evans, Rainer, Garby

Nays: None

CONSIDER AMENDING THE FISCAL YEAR 2020-2021 FEE SCHEDULE

The City Manager explained that three (3) additions to the Fiscal Year 2020-2021 Fee Schedule need to be added: a fee for hydrant meters, a civil penalty for violation of the Unified Development Ordinance, and a fee for site plan review.

Councilmember Evans moved to approve the amendments to the Fiscal Year 2020-2021 Fee Schedule. The motion was seconded by Councilmember Garby, and the vote was as follows:

Ayes: Evans, Garby, Adams, Rainer, Evans

Nays: None

CONSIDER EXTENDING THE FAMILIES FIRST CORONAVIRUS RESPONSE ACT (FFCRA) UNTIL JANUARY 31, 2021

The City Manager explained that the Federal Families First Coronavirus Response Act (FFCRA) would expire on December 31, 2020. Staff would like to internally extend until January 31, 2021 to allow employees to quarantine at home and be paid while they recover from Covid-19, in an anticipation that when Congress reconvenes in January, 2021, the FFCRA may be reauthorized. The City would be responsible for paying the social security taxes (6.2%) effective January 1, 2021 for any employee that qualifies for this leave on or after this date unless reauthorized by Congress.

Motion was made by Councilmember Williamson to extend the Families First Coronavirus Response Act (FFCRA) until January 31, 2021 for the City. The motion was seconded by Councilmember Garby, and the vote was as follows:

Ayes: Williamson, Garby, Adams, Rainer, Evans

Nays: None

SELECT VOTING DELEGATE FOR NORTH CAROLINA LEAGUE OF MUNICIPALITIES 2021-2022 BIENNIAL LEGISLATIVE AND POLICY GOALS AND CORE MUNICIPAL PRINCIPALS

The City Manager explained a voting delegate for the North Carolina League of Municipalities 2021-2022 Biennial Legislative and Policy Goals and Core Municipal Principals need to be designated.

Motion was made by Councilmember Evans to appoint City Manager Charles Nichols as the Voting Delegate for the North Carolina League of Municipalities 2021-2022 Biennial Legislative and Policy Goals and Core Municipal Principals. Councilmember Adams seconded the motion, and the vote was as follows:

Ayes: Evans, Adams, Rainer, Williamson, Garby

Nays: None

MAYOR/COUNCIL TOPICS

CONSIDER NAME FOR DOWNTOWN URBAN PARKING LOT AREA

Mayor Willis explained that although the Downtown Urban Parking Lot Area project had been halted due to COVID-19, he wanted to name the area because so many citizens and entities had been asking for the name. He added that the City has the James Lot and the Art Garden downtown. He suggested that the area be named the McDuffie Square, noting the rich historic significance that the McDuffie family has had in the community. The Walk Through area was once owned by the McDuffie family. He suggested that at a later date, there would be a recognition and plaque for the naming.

Councilmember Evans moved to name the Downtown/Urban Parking Lot Area in recognition of the McDuffie family's contributions as McDuffie Square. The motion was seconded by Councilmember Adams, and the vote was as follows:

Ayes: Evans, Adams, Rainer, Garby, Williamson

Nays: None

APPOINTMENTS

SOUTHEAST REGIONAL AIRPORT AUTHORITY

Mayor Willis explained that with the recent legislation revamping the Laurinburg-Maxton Airport Commission to the Southeast Regional Airport Authority, he was appointing the following for terms as follows beginning on January 1, 2021:

Councilmember Mary Jo Adams, two-year term

Mr. Thomas W. Parker III for a one-year term

Mr. R. Quinyon DeBerry for a one-year term

BOARD OF ADJUSTMENT

Mayor Willis explained that Mr. David Ellison's term on the Board of Adjustment expires December 31, 2020. Staff talked with Mr. Ellison and he wishes to continue serving.

Motion was made by Councilmember Adams to reappoint Mr. David Ellison to a three-year term on the Board of Adjustment with the term ending December 31, 2023. The motion was seconded by Councilmember Rainer, and the vote was as follows:

Ayes: Adams, Rainer, Garby, Williamson, Evans

Nays: None

COMMENTS FROM MAYOR AND/OR COUNCILMEMBERS

Mayor Willis explained that he had recorded another video concerning the still serious situation with the COVID-19 virus. He urged everyone to be vigilant in not spreading the virus.

Councilmember Rainer explained that Governor Cooper had complained about municipalities not enforcing the curfew he enforced in Executive Order 181, and that he wanted to ensure that the City was honoring the Governor's Order.

The City Manager explained that the week prior to the Council meeting, Mr. Trey Allen and Ms. Kara Millonzi of the UNC School of Government had issued opinions that local penalties were not authorized since any violation of the Governor's Executive Order was already a criminal activity at the state level.

The City Attorney added that because of preemption issues, he believed that the State should dictate any penalty action.

ADJOURNMENT

Councilmember Rainer moved to adjourn the meeting. The motion was seconded by Councilmember Williamson, and the vote was as follows:

Ayes: Rainer, Williamson, Evans, Adams, Garby

Nays: None

The meeting adjourned at 8:05 p.m.

James T. Willis, Mayor

Jennifer A. Tippet, City Clerk