

**CITY OF LAURINBURG
CITY COUNCIL MEETING
DECEMBER 13, 2016
MUNICIPAL BUILDING
303 WEST CHURCH ST.
7:00 p.m.**

Minutes

The City Council of the City of Laurinburg held its regular meeting on Tuesday, December 13, 2016 in the Council Chambers of the Municipal Building at 7:00 p.m. with the Honorable Matthew Block, Mayor, 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. Tippet, City Clerk; and William P. Floyd, Jr., City Attorney.

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

Councilmember Willis gave the Invocation and then led the Pledge of Allegiance.

APPROVAL OF AGENDA

Councilmember Willis explained that he would like to add an additional Mayor/Council Comment Period after the Public Comment Period in order to clear up some things. Following a brief discussion, he then moved to approve the agenda with the additional Mayor/Council Comment Period. The motion was seconded by Councilmember Hammond and carried unanimously.

PUBLIC COMMENT PERIOD

Mayor Block briefly reviewed procedures and decorum for the Public Comment Period and for the meeting.

There was no one present to speak.

COUNCIL COMMENTS

Councilmember Willis explained that he wanted to address his concerns over Mayor Block's last article in *The Laurinburg Exchange*. He discussed the concerns were as follows:

- *Mayor Block's comment about dodging evil stares from Councilmembers during the Christmas Parade.* Councilmember Willis explained that he talked with the Mayor, Councilmember Williamson was not present, and he witnessed no evil stares; therefore, he did not know from where the evil stares originated.
- *The Mayor's letter to President-Elect Trump.*

- Councilmember Willis explained that he did not recall discussion of a letter to the President-Elect. He added that while the Mayor has a right to express his personal opinion, when a matter such as the economy of the community is discussed, then it should have been discussed with Council.
- Councilmember Willis explained that with regard to the Mayor's suggestion for President-Elect Trump to build a wall to keep citizens from driving elsewhere to spend their money and to keep people who live elsewhere and work in Scotland County locked out would affect Mayor Block as he lives part of the time in Laurinburg and part of the time in Pinehurst. He further explained that years ago the Mayor and his ex-wife brought up issues with former Councilmember Joy Ellison living part of the time in the City limits and part of the time out of the City, so it is the same issue with the Mayor at this time.
- Councilmember Willis explained that since 2017 is an election year, if the Mayor mentions Councilmembers or potential opponents of Councilmembers, then Councilmembers are entitled to the same amount of space in *The Laurinburg Exchange*.
- Councilmember Willis explained that he was tired of reading false information in the newspaper, and that in the future he would address and correct the incorrect information.

Councilmember Leak explained that in the past, just prior to the December Council meeting, a reception was held for the City's various boards and committees thanking them for their service. He suggested that Council host such a reception in the future.

The City Manager explained that a reception would be included in the budget next year. He suggested that because of the timeframe, cards be sent this year.

It was consensus of Council for Christmas cards be sent to the boards and committees.

Councilmember Adams explained that there were two (2) positive events in the community today, with the first being the Downtown Associates Group meeting earlier which Mr. Mandeville would report on later in the meeting. She added that the second positive for the community was the Pioneer Warehouse ribbon cutting.

Councilmember Adams then expressed concern about texting during meetings, particularly when Council is in closed session.

The City Attorney explained that he would follow up on this topic; however he did not believe it was illegal to text during meetings except during quasi-judicial hearings. He added that it was bad manners.

Councilmember Williamson suggested that Council should have a policy for no texting during meetings. He inquired if there would be a Council retreat.

The City Manager explained that one of the agenda items is to approve the budget calendar which includes a Citizen Input Session and Budget Retreat.

Councilmember Williamson suggested a separate retreat to talk about projects and policies.

Councilmember Adams recommended that a facilitator was needed for the retreat.

CONSENT AGENDA

Mayor Block presented the Consent Agenda as follows:

- a) Consider minutes of September 20, 2016 regular meeting and October 18, 2016 regular meeting
- b) Set Public Hearing to be held January 17, 2017 to Consider a Request for a Conditional Use Permit to Operate a Circus at 1206 Turnpike Road on April 27, 2017

Councilmember Hammond moved to approve the Consent Agenda. Councilmember Williamson seconded the motion, and it was approved by the following vote:

Ayes: Hammond, Williamson, Willis, Leak, Adams

Nays: None

DELEGATION

Fiscal Year 2015-2016 Audit – Carl Head

Mr. Carl Head of Parker, Wagoner & Roche, PLLC presented the FY 2015-2016 Audit results. He explained that the audit consisted of auditing the City's financial statements ending June 30, 2016. He added that the audit was in draft form because the Local Government Commission (LGC) had not yet approved the audit. He further explained that there was one (1) technical issue in the Solid Waste Fund where one line item was overspent. He further added that the opinion is an unmodified opinion, which is the best opinion, and that there were no materials findings as in past years. He then reviewed the following information:

General Fund

Net change in fund balance 2014	(74,600)
Net change in fund balance 2015	387,944
Net change in fund balance 2016	83,576
General Fund cash 2015	2,824,194
General Fund cash 2016	3,953,213
Increase	1,129,019

Enterprise Funds

	Electric	Water	Solid Waste
Income (loss) before transfers and other 2013	(1,722,682)	(294,040)	(80,265)
Income (loss) before transfers and other 2014	(902,255)	(672,245)	44,959
Income (loss) before transfers and other 2015	(314,437)	10,311	10,249
Income (loss) before transfers and other 2016	2,620,685	1,728,520	41,540

Statement of Cash Flows

Operating cash increase (decrease) 2013	(741,086)	989,035	213,486
Operating cash increase (decrease) 2014	(986,550)	700,890	153,238
Operating cash increase (decrease) 2015	414,802	1,274,817	212,936
Operating cash increase (decrease) 2016	3,005,579	3,025,609	308,626

Mr. Head explained that the enterprise funds had increases in cash from operations as follows:

Electric Fund net cash increase of \$535,409
 Water Fund net cash increase of \$2,197,474
 Solid Waste Fund net cash increase of \$87,885

Mr. Head explained that as of June 30, 2016, the Electric Fund did not have enough funds to appropriate in the FY 2017-2018 budget. He cautioned that although the funds have improved significantly, there is still room for improvement.

Upon questions by Mayor Block, Mr. Head explained that there was net increase in cash in the Electric Fund; however in previous years, the Electric Fund had to borrow from other funds in order to not have a negative operating budget. He added that Council had to either decrease expenditures or increase revenues to keep the Electric Fund operating. He further added that as an auditor, he is not allowed to make recommendations on increasing fees or reducing expenditures as that is the governing body's responsibility. Mr. Head further added that just as the LGC cautioned the governing body to look at the Electric Fund, he had also in the past cautioned the governing body about the status of the Electric Fund.

The City Manager explained that no fund balance was appropriated from any of the enterprise funds in the FY 16-17 budget, and that the funds are being closely monitored and that there may have to be budget amendments during the year. He added that when staff discovered in February 2015 that fund balance was appropriated in the Electric Fund and the Water/Sewer Fund that was not available in order to balance the City's budget, the budgets in the two (2) funds were cut and only absolutely necessary projects were undertaken.

Upon question by Mayor Block, Mr. Head explained that most of the net assets in the Water/Sewer Fund is infrastructure. He added that the net cash increase in the Water Fund was \$2,197,474 in FY 2015-2016 with \$134,000 of that being customer deposits, and therefore restricted and cannot be spent by the City.

Mayor Block discussed the dramatic increase in water/sewer rates and that if the trend in revenues continues, then the Water/Sewer Fund could see a cash balance of between \$4-5 million at the end of next year. He commented that the City did not need to keep rates so high.

Mr. Head explained that rate setting is the governing body's responsibility and he cannot make any recommendation concerning rates.

Councilmember Willis explained that when the electric and water/sewer rates were increased, the increases were to stabilize the Electric and Water/Sewer Funds, and to look at future capital projects and then, if possible, reduce the rates.

The City Manager explained that the last two (2) budgets did not include any major capital improvements because of the condition of the enterprise funds.

Mr. Head explained that as of June 30, 2013, there was no unrestricted funds in the Electric Fund and money had to be borrowed from the General Fund to operate. He added that there was also no unrestricted funds in the Water/Sewer Fund at that time.

Further discussion ensued concerning the condition of the enterprise funds including improvement over the past year, utility rate increases, and that the auditor did not get involved in management functions.

Upon question by Councilmember Hammond, Mr. Head explained that the accounting and finance functions have improved significantly. He added that there will always be some journal entries necessarily, but the amount of journal entries dropped tremendously.

Upon question by Councilmember Williamson, Mr. Head explained that when the audit is final and approved by the LGC, he will meet with the finance staff. He added that because of the \$708,000.00 grant received by the City, there would be a higher level audit required next year.

Upon question by Mayor Block, Mr. Head explained that he is not involved in a mid-year assessment of the City's financial condition.

Crime Rate Proposal – Michael Edds

Pastor Michael Edds, 1207 Blue Drive, explained that he and Ms. Mary Evans would present some ideas concerning the crime rate in Laurinburg. He explained that his concern is no reflection on the Police Department as he believes the Police Department is an outstanding department and citizens are blessed to have them. He discussed crime statistics and average number of police officers per citizen compared to nationwide. He explained that the City needs 10 additional police officers in order to be at the state average for police officers per citizen. He also suggested giving police officers a raise and to have branch police stations in areas that have higher crime rates. Pastor Edds explained that he had discussed the possibility of a youth curfew in the community to get youth off the streets. He added that the intent was not to criminalize the youth, but to make parents responsible. He also discussed the availability of grants and his willingness to help write grants.

Ms. Mary Evans, 401 Sugar Road, explained that citizens want to live in a clean city. She discussed several litter projects such as the City's Adopt-A-Street and having inmates pick up trash. She also discussed improving downtown, satellite stations for police, the need for job opportunities, and recreation opportunities. Ms. Evans explained that more police officers were needed and police cars should be parked in strategic places. She added that she had not heard of a new initiative from the Police Department to counter crime. She further added that feeding kids hot dogs at community events was not the answer.

Councilmember Leak suggested that Pastor Edds and Ms. Evans discuss these issues with the Laurinburg/Scotland County Crime & Drug Committee.

Pastor Edds explained that he formerly was on the Crime & Drug Committee; however, nothing was ever done by the Committee.

Mayor Block thanked Pastor Edds and Ms. Evans for their comments. He explained that the City of Fayetteville developed a comprehensive plan to attack crime with benchmarks and goals. He clarified with Pastor Edds and Ms. Evans that they were asking Council to look at a comprehensive plan for fighting crime.

Police Chief Williams explained that that idea of serving hot dogs during the community events came from one of his officers. He added that the community events are an opportunity to interact with the community and in particular, kids. He further added that there are initiatives ongoing; however, he did not want to discuss them and provide information to criminals on what the Police Department is doing to fight crime.

CITY MANAGER REPORTS

COMMUNITY DEVELOPMENT UPDATE

Mr. Michael Mandeville, Community Development Director, presented an update on Community Development projects as follows:

- Engineering company has been selected and work will begin in February on the Walk Through Project. Need to obtain easement for a concrete pad that is at back of Walk Through Project (on the agenda).
- Stage to be built at the Art Garden.
- Received \$4,000.00 grant from ElectriCities that will be used for way-finding signage.
- Smart Site Launch for Industrial Park on December 20, 2016 on Stewartsville Road.
- Representatives from NC Main Street held quarterly visit today and presented information on historic preservation and tax credits. The representatives visited the State Bank Building and also talked about the Market Furniture Building with the developer. The representatives will return in April and provide a visioning for the future of downtown and will present a report on the data collected by Community Development.
- Working with ElectriCities on logo for marketing and branding.

The City Manager explained that staff is looking for direction on the logo and branding that ElectriCities is working on with the City.

Upon question by Mayor Block, Mr. Mandeville explained that the developer plans to begin work on the Market Furniture Building in January; however because the State Bank Building has tenants until July, 2017, work on that building will be delayed as the developer plans to honor the lease.

Discussion ensued concerning the two (2) options for a City logo. Staff will work with ElectriCities on a logo and will bring back different options.

Upon question by Councilmember Willis, the City Manager explained that the greenway project along Leigh Creek would be discussed at the January retreat.

AUTHORIZE CITY MANAGER TO EXECUTE RURAL ECONOMIC DEVELOPMENT GRANT AGREEMENT – INDUSTRIAL FUND UTILITY ACCOUNT

The City Manager explained that this agreement is for the \$708,000.00 Industrial Fund (IDF) Utility Grant for infrastructure at the Laurinburg Industrial Park. He added that staff would be meeting the following morning to begin planning construction to get sewer to the property.

The City Manager provided a brief explanation of the Laurinburg Industrial Park.

Motion was made by Councilmember Willis, seconded by Councilmember Adams, and unanimously carried to authorize the City Manager to execute Rural Economic Development Grant Agreement – Industrial Development Fund Utility Account – for Grant Award of \$708,000.00 for Infrastructure Improvements at Laurinburg Industrial Park.

CONSIDER RESOLUTION FOR DESIGNATION OF APPLICANT’S AGENT FOR NC DIVISION OF EMERGENCY MANAGEMENT AND AUTHORIZE CITY MANAGER TO EXECUTE APPLICANT DISASTER ASSISTANCE AGREEMENT WITH THE NORTH CAROLINA DEPARTMENT OF PUBLIC SAFETY, DIVISION OF EMERGENCY MANAGEMENT

The City Manager explained that a resolution designating the City’s agent for North Carolina Division of Emergency Management and authorization for him to sign the agreement with the NC Department of Public Safety, Division of Emergency Management were needed. He explained that the Federal Emergency Management Agency funds will cover about 75% of the costs from Hurricane Matthew, and the State will cover the other 25%. He added that with regard to debris clean-up, FEMA covers 85% of those costs, and the State covers the remaining 15%.

Councilmember Hammond moved to approve Resolution No. R-2016-16 for Designation of Applicant’s Agent for NC Division of Emergency Management and to authorize the City Manager to execute Applicant Disaster Assistance Agreement with the North Carolina Department of Public Safety, Division of Emergency Management. Councilmember Adams seconded the motion, and the vote was as follows:

Ayes: Hammond, Adams, Williamson, Leak, Willis

Nays: None

(Resolution No. R-2016-16 on file in City Clerk’s office)

Mayor Block called for a short break at 8:42 p.m.

The meeting resumed at 8:44 p.m.

CONSIDER RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE PEDESTRIAN EASEMENT AGREEMENT BETWEEN C&I BEAUTY GIFT, INC. AND THE CITY OF LAURINBURG

The City Manager explained that this resolution is to authorize a pedestrian easement agreement between the City and C&I Beauty Gift, Inc. in order for the City to work on the Pass Through Project.

Councilmember Williamson moved to approve Resolution No. R-2016-17 authorizing the Mayor and City Clerk to execute Pedestrian Easement Agreement between C&I Beauty Gift, Inc. and the City of Laurinburg. The motion was seconded by Councilmember Willis, and the vote was as follows:

Ayes: Williamson, Willis, Leak, Adams, Hammond

Nays: None

(Resolution No. R-2016-17 on file in City Clerk's office)

UPDATE AND DIRECTION ON CITIZENS' ACADEMY

Mrs. Betty Galloway, Human Resources/Risk Management Director, explained that the Citizens' Academy had been announced and advertised in the *Laurinburg Exchange* and on the City's website. She added that there was a total of 11 applications received; however only 8 applicants met the qualifications to attend. She further added that since the original plan was that a minimum of 10 attendees was necessary to hold the Citizens' Academy, she was requesting direction from Council as to re-advertise and extend the deadline for applications for the Citizens' Academy or to postpone until later in the year.

Following discussion, it was consensus of Council to extend the deadline for applications for the Citizens' Academy.

At the request of Councilmember Hammond, Mrs. Galloway reviewed the proposed schedule as follows:

January 12, 5:30 p.m. – 7:30 p.m. – Introduction of Mayor and City Council, City Manager and City Clerk
January 19, 5:30 p.m. – 7:30 p.m. - Community Development and Finance
January 26, 5:30 p.m. – 7:30 p.m. – Police and Fire Departments
February 2, 5:30 p.m. – 7:30 p.m. – Water Treatment and Public Works
February 9, 5:30 p.m. – 7:30 p.m. – General Services and Electric Services
February 16, 5:30 p.m. – 7:30 p.m. – Mock Council meeting

UPDATE ON LAURINBURG HOUSING AUTHORITY TENANT PAID UTILITY CONVERSION

The City Manager explained that he had talked with Mrs. Nancy Walker, Executive Director of the Laurinburg Housing Authority, (LHA) to obtain an update on the conversion to tenant paid utilities. He added that he was informed that the conversion was pushed back due to the Housing

and Urban Development (HUD) regulations. He further added that tenants were sent notices about the delay and tenants were encouraged to contact the City to settle any past due accounts.

Discussion ensued concerning the number of past due accounts. The City Manager explained that the conversion involves 500 tenants and the City does not have their names since the electric billing is handled through LHA.

A discussion ensued concerning the Medical Alert Program for individuals with forms signed by medical doctors. The City Manager explained that he would send Council details of the Medical Alert Program either through email or in his weekly report to Council.

Councilmember Willis suggested that a list of the tenants be obtained so that the City could be proactive on the past due accounts.

CONSIDER FY 2017-2018 BUDGET SCHEDULE

The City Manager explained that the proposed FY 17-18 budget schedule was similar to the previous year's budget schedule. He briefly reviewed the proposed budget schedule as follows:

Date	Description of Action Items
January 17, 2017	Capital Requests Due from each department
January 1, 2017 - February 28, 2017	Public Input Session held during early 2017 (set by Council)
February 1, 2017 - February 28, 2017	Council Retreat held during month to set budget priorities (set by Council)
March 17, 2017	Operating Budget Requests Due from departments
March 21, 2017	Council receives update of CIP
March 20, 2017 - March 31, 2017	Operating Budget Discussion Meetings with Depts.
April 3, 2017	Budget working draft due to City Manger
April 18, 2017	Council Preview of Budget Working Draft
April 4, 2017 - May 15, 2017	Staff Meetings for Budget Revisions
May 16, 2017	Official presentation of Manager's recommended budget to Council
May 17, 2017 - June 20, 2017	Council budget work sessions as directed
May 16, 2017	Set public hearing for FY 18 budget for June council meeting
June 20, 2017	Hold public hearing on budget
June 20, 2017	Budget and fee schedule adoption (or no later than July 1)
July 1, 2017	Operating and capital budgets loaded and active in Munis
July 1, 2017	Adopted budget document delivered to departments
July 8, 2017	Adopted budget posted on website

Following discussion, it was consensus of Council to have a retreat on Tuesday, January 10, 2017 at 5:00 p.m. at the Small Business Innovation Center and to hold the Citizen Input Session on February 7 or 8, 2017 depending upon availability of the A. B. Gibson Center.

CONSIDER 2017 COUNCIL MEETING SCHEDULE

The City Manager explained that the proposed meeting schedule included moving up the November and December council meetings to stay away from the holidays.

Motion was made by Councilmember Willis, seconded by Councilmember Adams, and unanimously carried to approve the 2017 Council meeting schedule as presented.

APPOINTMENT

BOARD OF ADJUSTMENT

Motion was made by Councilmember Willis, seconded by Councilmember Williamson, and unanimously carried to reappoint Linda Douglas to the Board of Adjustment for a three-year term expiring December 31, 2019 and to appoint Tim Ivey to the Board of Adjustment for a three-year term expiring December 31, 2019.

MAYOR'S REPORTS

SCOTLAND COUNTY PARKS & RECREATION ADVISORY COMMITTEE

Mayor Block explained that there was no meeting of the Scotland County Parks and Recreation Advisory Committee in December. He added that he was to present his proposal for a recreation center at the Committee's January meeting and he would report to Council at the January meeting.

COMMENTS FROM MAYOR AND/OR COUNCILMEMBERS

Councilmember Hammond wished everyone a Merry Christmas.

CLOSED SESSION

At 9:14 p.m., Councilmember Adams moved to go into closed session pursuant to NC General Statute 143-318.11(a)(4), to discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations and 143-318.11(a)(3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the City. The motion was seconded by Councilmember Hammond, and carried unanimously.

At 10:37 p.m., Councilmember Adams moved to adjourn the closed session and resume the open meeting. The motion was seconded by Councilmember Willis, and carried unanimously.

FUNDING TO SCOTLAND COUNTY ECONOMIC DEVELOPMENT CORPORATION

Motion was made by Councilmember Adams, seconded by Councilmember Williamson, and

unanimously carried for the City to provide funding in the amount of \$250,000.00 to the Scotland County Economic Development Corporation to purchase land near the Small Business Innovation Center with the understanding that Scotland County would also fund \$250,000.00, that the property be annexed into the City and that the City would provide utilities for the property.

FCC WATER RATES

Motion was made by Councilmember Willis, seconded by Councilmember Hammond, and unanimously carried to set the process water rate for FCC (North Carolina) LLC for the 2017 calendar year to \$3.67 per thousand gallons based on the 1.2 million gallons per day consumption estimate contained in the Incentives Agreement.

ADJOURNMENT

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

The meeting adjourned at 10:43 p.m.

Matthew Block, MD, Mayor

Jennifer A. Tippet, City Clerk