

TOWN OF LA GRANGE, NORTH CAROLINA

TOWN COUNCIL AGENDA



February 5, 2018
6:00 PM



TOWN OF LA GRANGE TOWN COUNCIL

AGENDA OUTLINE February 5, 2018

1. **Call to Order** Mayor Gurley
2. **Opening Prayer**
3. **Welcome**
4. **Public Hearings - None** Mayor Gurley
5. **Board of Adjustments – None**
6. **Public Comment Period** Mayor Gurley
7. **Amendments to and Approval of the Agenda** Town Manager
8. **Consent Agenda**
 - a. Approval of Minutes
 - i. Regular Session Minutes December 4, 2017
 - b. Approval of the 2018 Slate of Officers for the Fire Department.
9. **New Business & Presentations**
 - a. Discuss and establish Electric Rates in anticipation of April 1, 2018 NCEMPA rate restructuring. Town Manager
10. **Unfinished Business**
 - a. Update on the new Well and Aboveground Storage Tank Project.
11. **Financial Report – Year to Date Budget Information**
12. **Closed Session**
 - a. Approval of Closed Session Minutes; December 4, 2017
13. **Council Member Comments/Concerns**
14. **Adjournment**



LA GRANGE TOWN COUNCIL AGENDA

ITEM # 4

PUBLIC HEARINGS

As established by the Town Council during the February 25, 2006 Work Session, a Public Hearing period has been established and incorporated into the Regular Meeting Agenda. There are no Public Hearings scheduled for this evening.



LA GRANGE TOWN COUNCIL AGENDA

ITEM # 5

BOARD OF ADJUSTMENTS

There are no cases to be heard by the Board of Adjustments.

RECOMMENDATION: N/A



LA GRANGE TOWN COUNCIL AGENDA

ITEM # 6

PUBLIC COMMENT PERIOD

As established by Council Action, the public has a designated time period during the Town Council's Regular Council meeting each month to address the council regarding items not included on the printed agenda.

All comments are subject to the "Public Comment Policy". The Council allotted time for up to five (5) citizens to address the council for up to 3 minutes each. Citizens **are required** to sign in with the Town Clerk between 5:45 and 6:00 on the night of the council's regularly scheduled meeting. A response from the Council or Town staff is **not** required during the Council Meeting.

RECOMMENDATION: None.



LA GRANGE TOWN COUNCIL AGENDA

ITEM # 7

AMENDMENTS TO AND/OR APPROVAL OF AGENDA

At this time, the Town Manager will recommend that the agenda be approved as submitted or he may recommend the addition of item(s) or deletion of item(s) from the printed agenda to be addressed during the Council Meeting.

RECOMMENDATION: Approval of Agenda as Recommended by Town Manager during the meeting.



LA GRANGE TOWN COUNCIL AGENDA

ITEM # 8

CONSENT AGENDA

Attached for your review and consideration are items submitted for the consent agenda. These items, if the agenda is approved, will be handled with a single action of the Council. If for any reason, a member of the council wishes to move an item from the consent agenda to the Items for Discussion and Approval, it is an automatic process that places that item(s) at the end of the printed agenda to allow for a more detailed discussion of the item.

ITEMS SUBMITTED FOR CONSENT:

8. Consent Agenda

- a. Approval of Minutes
 - i. Regular Session Minutes; December 4, 2017
- b. Approval of Fire Department Slate of Officers for 2018.

RECOMMENDATION: Approval of Items submitted for Consent.



LA GRANGE TOWN COUNCIL AGENDA

ITEM # 8A

APPROVAL OF MINUTES

Attached for your consideration and approval are the minutes for the meetings since the last regularly scheduled Council Meeting.

RECOMMENDATION: Approval of Minutes as submitted.

REGULAR MEETING

The Town Council of the Town of La Grange, North Carolina met in Regular Session at the Town Hall on December 04, 2017, at 6 p.m. with the following present:

Mayor Woodard H. Gurley; Mayor Pro Tem Bobby Wooten; Council Members Clifton Harrison, Albert Gray, Larry Gladney, Veronica Lee and David Holmes; Town Manager, John P. Craft; Town Attorney, David M. Rief; Town Clerk, Wendy S. Morton, MMC

Absent: 0

Guest: 12

Staff: Director of Planning, Inspections and Safety, Nathan Rhue
Finance Officer, Leslie Maroules
Public Service Director, Tyrone Morgan

Sherriff Officer: Jerry Davis

ITEMS 1, 2, 3: CALL TO ORDER, PRAYER, WELCOME

Mayor Woodard H. Gurley called the meeting to order and asked Council Member Holmes to open the meeting with prayer. Mayor Gurley then gave a warm welcome to everyone.

ITEM 4: PUBLIC HEARING

(NONE)

ITEM 5: BOARD OF ADJUSTMENTS

(NONE)

ITEM 6: PUBLIC COMMENT

The Council allotted time for up to five (5) citizens to address the council for up to 3 minutes each and are required to sign in with the Town Clerk between 5:45 and 6:00 on the night of the council's regularly meeting. A response from the Council or Town staff is not required during the meeting.

(NONE)

ITEM 7: APPROVAL OF THE AGENDA

Manager Craft recommends approval of the agenda as submitted with one addition:

- 12B Update on Purchase of New Bucket Truck

Motion was made by Council Member Holmes to approve the agenda as submitted with one addition on update purchase of New Bucket Truck and seconded by Council Member Gray. Motion carried unanimously.

ITEM 8: APPROVAL OF CONSENT AGENDA

Manager Craft recommended approval of the consent agenda as submitted:

- A. Approval of the Minutes
 - 1. Regular Session Minutes; November 06, 2017
- B. Approval of Resolution Re-Appointing Veronica N. Lee as the Town's Municipal Representative on the Eastern Carolina Council.
- C. Approval of Resolution Establishing 208 Town Council Meeting Schedule.

Motion was made by Council Member Holmes to approve the Consent Agenda which includes, Approval of the Regular Session Minutes for November 06, 2017, Approval of Resolution Re-Appointing Veronica N. Lee as the Town's Municipal Representative on the Eastern Carolina Council, Approval of Resolution Establishing 2018 Town Council Meeting Schedule and seconded by Council Member Harrison. Motion carried unanimously. (Resolution No. 2017-12-431 Re-Appointing Veronica Lee as the Town's Municipal Representative on the Eastern Carolina Council and Resolution No. 2017-12-432 Establishing 2018 Town Council Meeting Schedule is hereto attached).

ITEM 9: THE HONORABLE R. LES TURNER, DISTRICT COURT JUDGE

Manager Craft introduced the Honorable R. Les Turner, District Court Judge to administer the Oath of Office to the recently Re-Elected Town Council Members.

David S. Holmes, Council Member
Veronica N. Lee, Council Member
Bobby R. Wooten, Council Member

Honorable R. Les Turner, District Court Judge administered the Oath of Office to David S. Holmes, Council Member, Veronica N. Lee, Council Member and Bobby R. Wooten, Council Member. (Oaths of Office are on file in the Clerk's office).

A brief recess was given for family and friends.

ITEM 10: SELECTION OF MAYOR PRO TEMPORE

Sec. 2-26. Selection, duties of Mayor Pro Tempore.

At the first meeting after its election, the council shall select one of its number to act as mayor pro tem. The mayor pro-tem shall have no fixed term of office, but as such, shall perform all the duties of the mayor in the mayor's absence or disability.

During the January 2008 Town Council meeting a procedure was approved by which to select the Mayor Pro-Tempore. The procedure is as follows:

- The Mayor will call for nominations until no further nominations are made, nominations need not be seconded.
- Once no further nominations are made, the Mayor will declare the floor closed for nominations.
- A vote will be taken based on the nominations received. All members are eligible, but are not required, to vote.
- If any nominated member gets a majority of the votes, that member is selected as Mayor Pro-Tempore.
- If there is a tie, the member(s) receiving the least number of votes will be eliminated, and another vote will be taken between the remaining candidates, until such time that the vote results in a majority for a single candidate.

Mayor Woodard Gurley opened the floor for nominations for Mayor Pro-Tempore.

Motion was made by Council Member Holmes to nominate Council Member Bobby Wooten for Mayor Pro-Tempore and was seconded by Council Member Gray. With no further nominations, motion carried unanimously that Council Member Bobby Wooten is now Mayor Pro-Tempore.

ITEM 11A: RECREATION PROGRAM

Manager Craft asked Council for direction pertaining to the next steps for the recreation program. Before and after plans of the drawing for the Multi-Purpose Recreation Complex for the Town of La Grange were provided to Council with the following suggestions:

- Determine location for basketball courts
- Determine if a multipurpose field is desired/appropriate at this time
- Consider advantages/disadvantages to each location
- Consider PARTF Application

Mayor Woodard Gurley requests motion that provides direction to the Town Manager as to how to proceed with the next phase of developing the Town's Recreation Facilities.

- Option 1: Prepare Grant Application to build new basketball court(s) and multipurpose fields on farm north of town.
- Option 2: Build basketball court on the property located at the corner of School Street and West Railroad Street without PARTF funds or multipurpose fields.
- Option 3: Develop a plan to complete Community Center facility with/without addition.
- Option 4: Do Nothing

Council Members discussed recreation facilities and options of location.

After further discussion, Motion was made by Mayor Pro-Tem Wooten to have the Town Manager prepare a Grant application to build new court(s) and multipurpose fields on farm north of town and seconded by Council Member Lee. Motion carried 5 to 1 with Council Member Harrison opposed.

ITEM 12A: CONSIDER PURCHASE OF NITROGEN POUNDS

Manager Craft stated the Town has been able to lease pounds from SMSD at a rate of \$4/pound per year since they have a surplus of nitrogen pounds. The current average rate to purchase a nitrogen pound is \$450/pound. The town has an opportunity to purchase an additional 1,000 pounds of nitrogen at a cost of \$400/pound; or a total of \$400,000.

After further discussion, the Mayor requested a motion from the Council regarding the potential purchase of additional nitrogen pounds, assuming project funds can be used to purchase the pounds.

Motion was made by Mayor Pro-Tem Wooten to buy 1,000 pounds of nitrogen at \$400/pound, assuming project funds can be used to purchase the pounds and seconded by Council Member Gladney. Motion carried 5 to 1 with Harrison opposed.

ITEM 12B: UPDATE ON PURCHASE OF NEW BUCKET TRUCK

Town Council had previously approved the purchase of a new bucket truck to replace the 2001 model (that was purchased used) that we currently have at a cost of \$187,187. The purchase was approved as part of the FY17-18 Budget process and equipment replacement plan, and will be funded through a 4-year lease purchase agreement at (2.25%) with Southern Bank.

The truck has been completed, and the Town Manager and Electric Line Superintendent will be going to Roanoke, Virginia to inspect the truck prior to delivery. They will depart on Sunday afternoon, inspect the truck Monday morning at 9am, and will return to La Grange after the inspection.

Manager Craft and Electric Line Superintendent recommend that the Town Council declare the 2001 Chevrolet Bucket Truck as surplus Municipal property and authorize and instruct the Town Manager to dispose of the Truck utilizing GovDeals.com. VIN number: 1GBP7H1C8YJ526534.

Motion was made by Council Member Lee to declare the 2001 Chevrolet Bucket Truck, VIN number 1GBP7H1C8YJ526534 as surplus Municipal Property and authorize the Town Manager to dispose of the truck utilizing GovDeals.com and seconded by Council Member Holmes. Motion carried unanimously.

ITEM 13: FINANCIAL REPORT

At the Manager's request, the Financial Director has included Year to Date Budget information to the Council in an effort to keep the Council informed as to the status of the Town's finances. This information will be provided monthly with no formal presentation. The Manager and Finance Director will answer any questions that the council has regarding the information provided.

ITEM 14: CLOSED SESSION

Motion was made by Mayor Pro-Tem Wooten to go into Closed Session at 7:15pm and seconded by Council Member Holmes. Motion carried unanimously.

Motion was made by Mayor Pro-Tem Wooten to go back to Regular Session at 7:40pm and seconded by Council Member Gray. Motion carried unanimously.

ITEM 15: COUNCIL MEMBER COMMENTS AND CONCERNS

Manager Craft brought back the discussion tab on the roll call keypad so everyone could see who was the next person in line to speak.

Mayor Pro-Tem Wooten stated that everyone had their own opinions and we should express them. Children need to be in the library. He then thanked everyone for his re-election.

Council Member Gladney stated that he did not want anyone to take what was said tonight personal.

With no further business, Mayor Woodard Gurley adjourned the meeting at 7:45 pm.

Wendy S. Morton, MMC, Town Clerk

Mayor, Woodard H. Gurley



LA GRANGE TOWN COUNCIL AGENDA

ITEM # 8B

APPROVAL OF 2018 SLATE OF OFFICERS FOR THE FIRE DEPARTMENT

Annually, the Fire Department elects a slate of officers for the upcoming year, which has to be approved by the Town Council acting in its capacity as the Board of Directors for the Fire Department. The Slate of Officers for 2018, as recommended by the membership of the Fire Department, are:

C.J. Foster - Chief
Brad House – 1st Assistant Chief
Joe Daniels – Second Assistant Chief
Mike Letchworth – 1st Captain
Ryan Riley – 2nd Captain
McKeever Smith - 3rd Captain
Mark Sutton – 4th Captain
Michael Lane – Lieutenant

The Fire Chief and Town Manager recommend the approval of the 2018 Slate of Officers as submitted.

RECOMMENDATION: Approval of 2018 Slate of Officers for the Fire Department.



LA GRANGE TOWN COUNCIL AGENDA

ITEM # 9A

DISCUSS AND ESTABLISH ELECTRIC RATES IN ANTICIPATION OF APRIL 1, 2018 NCEMPA RATE RESTRUCTURING

At the January North Carolina Eastern Municipality Power Agency (NCEMPA) Rate Committee and NCEMPA Board of Commissioners meetings the wholesale electric rates for the NCEMPA were reviewed, discussed, and amended as part of the annual review of rates charged to NCEMPA by Duke Energy Progress. The charges for the Eastern Agency were amended to reflect actual charges from Duke Energy. The changes resulted in a reduction in the cost for energy, but an increase in charges for demand. Due to the town’s low load factor, the increased demand charges negatively affected the Town’s overall electric rates resulting in a 2.1% increase (or approximately \$48,000) in the cost that will be incurred by the Town between April 1, 2018 and March 31, 2019.

As a result, the Town will need to increase electrical rates by 2.1% in order to generate additional funds in order to pay for the higher costs that are anticipated due to the NCEMPA rate restructuring that becomes effective April 1, 2018. The recommended rates are as follows:

ELECTRICAL

<u>EL1 (In-Town Residential)</u>	Current	Proposed
Flat Rate:	\$11.00	\$11.23
KWh Usage (0-800)	\$0.121/KWh	\$0.1235
KWh Usage (801+)	\$0.106/KWh	\$0.1082
<u>EL2 (Out-of-Town Residential)</u>		
Flat Rate:	\$11.00	\$11.23
KWh Usage (0-800)	\$0.121/KWh	\$0.1235
KWh Usage (801+)	\$0.106/KWh	\$0.1082

EL3 (Commercial 2.83%)

Flat Rate:	\$14.50	\$14.80
KWh Usage (0-1500)	\$0.146/KWh	\$0.15
KWh Usage (1501+)	\$0.086/KWh	\$0.09

EL4 (Commercial 3%)

Flat Rate:	\$14.50	\$14.80
KWh Usage (0-1500)	\$0.146/KWh	\$0.15
KWh Usage (1501+)	\$0.086/KWh	\$0.09

EL6 (Large Commercial)

* (Yearly average use of greater than 50,000 KWh)

Flat Rate:	\$14.50	\$14.80
KWh Usage (0-1500)	\$0.146/KWh	\$0.15
KWh Usage (1501+)	\$0.086/KWh	\$0.09

DM2 & DM3 (Demand)

0-5 KW	\$0.00/KW	\$0.00
6-10 KW	\$0.00/KW	\$0.00
11-15 KW	\$5.69/KW	\$5.81
16-200 KW	\$14.15/KW	\$14.45
201+ KW	\$14.15/KW	\$14.45

DMR (Demand - Religious)

* Yearly average KW use of greater than 200 KW

0-5 KW	\$0.00/KW	\$0.00
6-10 KW	\$0.00/KW	\$0.00
11-15 KW	\$5.69/KW	\$5.81
16-200 KW	\$5.69/KW	\$14.45
201+ KW	\$5.69/KW	\$14.45

CP Rate

Base Charge	\$261.10	\$266.58
Peak Demand (Generated)	\$0.00	\$0.00
Coincident Peak Demand	\$24.25	\$24.74
Excess Demand	\$5.00	\$5.11
Energy per kWh	\$0.07/KWh	\$0.0715

Residential Solar - Buy All, Sell All

Flat Rate:		\$35.00
KWh Usage (0-800)		\$0.1235
KWh Usage (801+)		\$0.1082
kwh (Generated, as bill credit)		-\$0.5813
Initial Connection – Meter Purchase, customer responsible for installation cost		Cost + 5%

Area Lights

(A01) - 100 Watt HPS	\$14.34	\$14.64
(A02) – 150 Watt Street Light	\$16.10	\$16.44
(A03) – 400 Watt Mercury	\$19.69	\$20.10
(A05) – 250 Watt HPS	\$21.59	\$22.04
(A06) – 400 Watt HPS	\$31.27	\$31.93

Area Lights

(A19) – ½ 175 Watt Area Light	\$8.50	(Existing Customers Only)
(A20) – Wynn Odom Area Lights	\$385.14	\$393.23
Area/Yard Light Installation	\$200	(Requires 12 mo. service agreement)

Other

Temporary Service Pole	\$75	
Underground Service Fee	\$225 For first 150 feet; \$2.00/ft thereafter.	

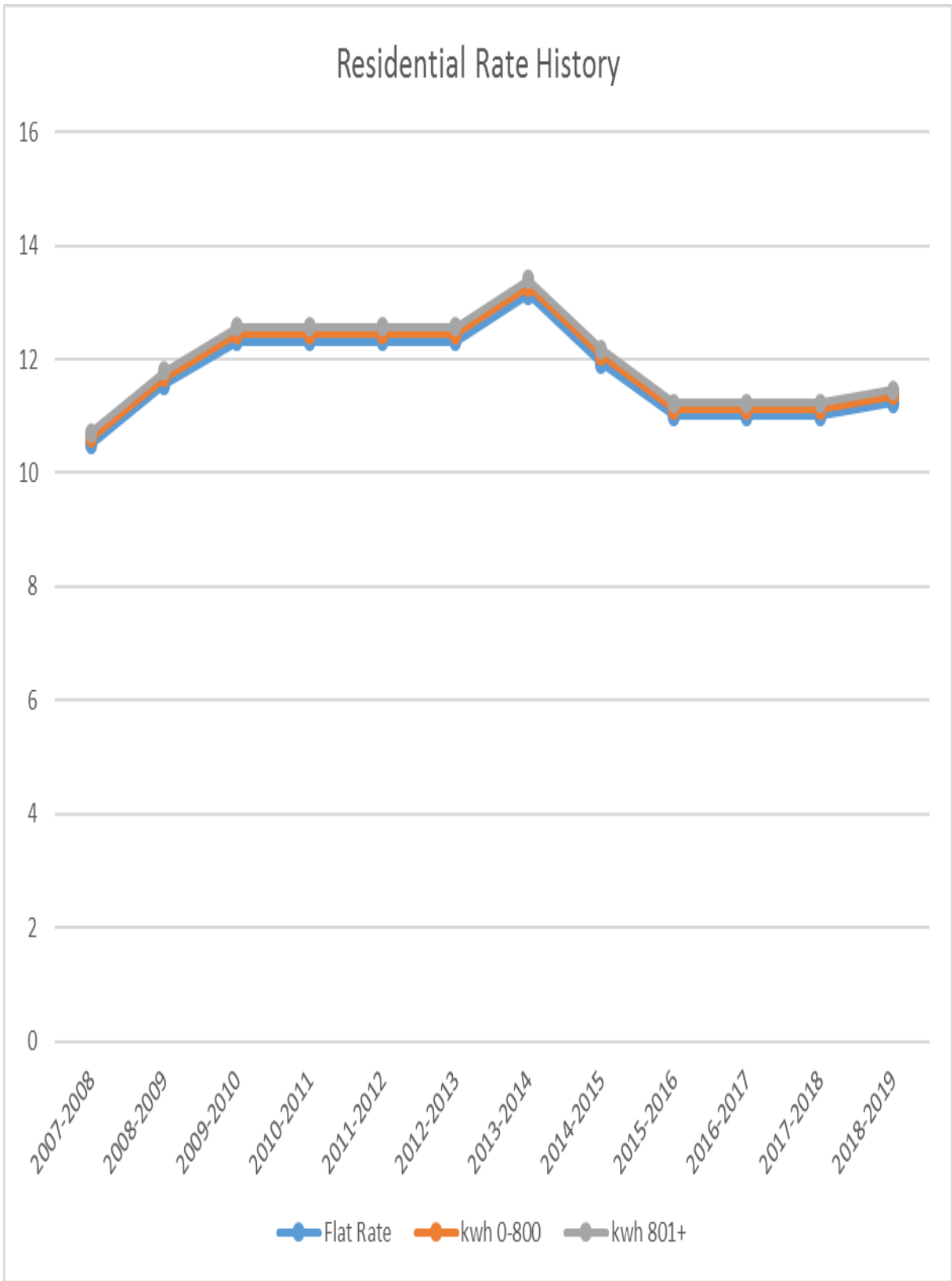
In addition, the Town needs to create a rate for customers wishing to install solar panels on their homes. The Town Manager recommends a buy all, sell all arrangement in which the customer buys all their energy from the Town, and that the Town buys all of the energy generated by the customer at an amount equal to the avoided cost. The recommended rate

Attached for your review and consideration is a chart representing the rate path that the town has followed over the past ten years. As you will note, the Town's rates increased steadily in the years prior to the asset sale, and then fell for two years, and then were flat for three years. This is the first year that the town has increased rates in over five years, and while increasing, are still well below 2013-2014 levels. The proposed rates are recommended for approval to become effective on April 14, 2018.

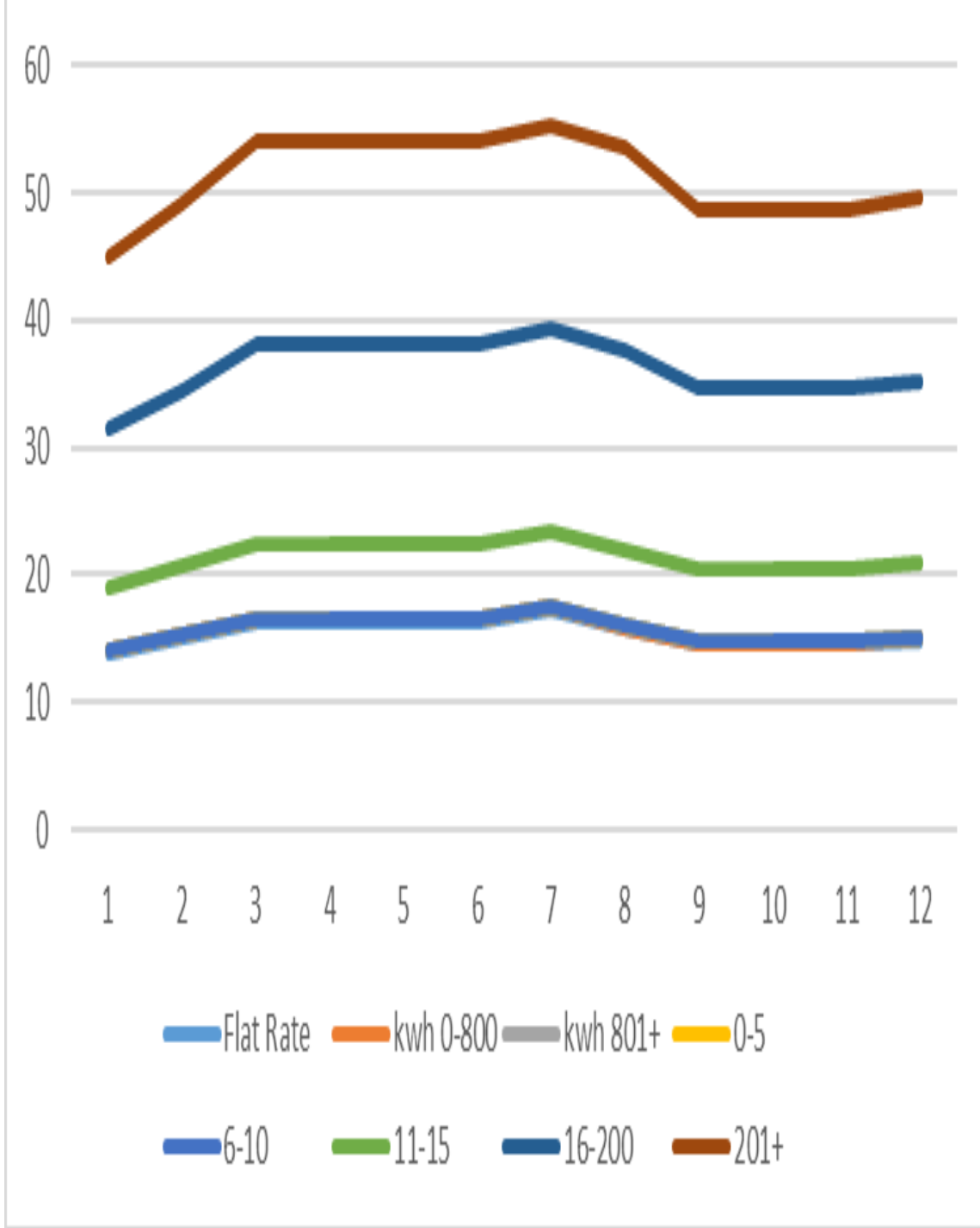
For informational purposes, the residential customer rate impact will be as follows:

	<u>1,000 kwh/mo</u>	<u>1,250 kwh/mo</u>	<u>1,500 kwh/mo</u>
Current Residential:	\$138.03	\$166.39	\$172.06
Proposed Residential:	\$140.89	\$169.83	\$175.62
Additional Cost/mo:	\$2.86	\$3.44	\$3.56

RECOMMENDATION: Discuss Rate Impact of NCEMPA Rate Restructuring, establish new rates to recover additional costs.



Commercial Rate History





LA GRANGE TOWN COUNCIL AGENDA

ITEM # 10A

UPDATE ON WELL & ABOVEGROUND STORAGE TANK PROJECT

The Town Manager will update the Town Council on the progress on the new well and aboveground storage tank project approved by the Town Council.

RECOMMENDATION: No Action Required – Informational Item only.



LA GRANGE TOWN COUNCIL AGENDA

ITEM # 12

FINANCIAL REPORT – YEAR TO DATE

As a matter of information, Town Staff is including a monthly financial report for the Town providing year to date information for the budget in an effort to keep the Council informed of the Budget on an ongoing basis. No formal report is planned, but staff will answer the Council's questions, should there be any.

RECOMMENDATION: No Action is Required - Informational Item Only.

Period Start Date 7/1/2017
 Period End Date 12/31/2017

EXPENDITURES

Fund 10	Appropriated Amount	Exp. YTD	% Expended
General Government	\$ 74,302.00	\$ 31,437.61	42.31%
Administration	\$ 92,506.00	\$ 35,580.22	38.46%
Building Inspection	\$ 49,861.00	\$ 21,051.54	42.22%
Police	\$ 572,766.00	\$ 284,956.64	49.75%
Fire	\$ 40,650.00	\$ 20,325.00	50.00%
Street	\$ 294,728.00	\$ 152,165.28	51.63%
Powell Bill	\$ 91,525.00	\$ 34,835.00	38.06%
Sanitation	\$ 229,927.00	\$ 120,292.56	52.32%
Recreation	\$ 156,982.00	\$ 72,466.94	46.16%
Cemetery	\$ 64,603.00	\$ 31,045.04	48.06%
Library	\$ 17,300.00	\$ 5,566.31	32.18%
Council on Aging	\$ 2,850.00	\$ 1,423.15	49.94%
Scout Facility	\$ 2,650.00	\$ 675.48	25.49%

Fund 30	Appropriated Amount	Exp. YTD	% Expended
Water Department	\$ 245,749.00	\$ 125,718.60	51.16%
Water Supply	\$ 599,010.00	\$ 285,440.09	47.65%
Sewer Department	\$ 330,142.00	\$ 225,784.63	68.39%
Waste Water Collection	\$ 273,500.00	\$ 127,657.06	46.68%

Fund 40	Appropriated Amount	Exp. YTD	% Expended
Electric Department	\$ 3,565,915.00	\$ 1,815,082.99	50.90%

REVENUES

Fund 10	Appropriated Amount	YTD Rev.'s	% Collected
General Fund	\$ 1,691,050.00	\$ 840,850.59	49.72%

Fund 30	Appropriated Amount	YTD Rev.'s	% Collected
Water & Sewer Fund	\$ 1,448,401.00	\$ 750,328.08	51.80%

Fund 40	Appropriated Amount	YTD Rev.'s	% Collected
Electric Fund	\$ 3,565,915.00	\$ 2,065,385.11	57.92%



LA GRANGE TOWN COUNCIL AGENDA

ITEM # 13

CLOSED SESSION

I am requesting a closed session pursuant to N.C.G.S. § 143-318.11 (a) (3) (4) (6) for discussions related to expansion of an existing Business, personnel related matter, and other matters to preserve Attorney-Client Privilege.



LA GRANGE TOWN COUNCIL AGENDA

ITEM # 13A

APPROVAL OF CLOSED SESSION MINUTES

The Town Clerk has provided the Council with a copy of the Closed Session Minutes from the December 4, 2017 Town Council Meeting. The Town Manager recommends that the minutes be approved as submitted.

<u>RECOMMENDATION:</u> Approval of the Closed Session Minutes from December 4, 2017 Town Council Meeting.
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