

SPECIAL MEETING

The Town Council of the Town of La Grange, North Carolina met in a Special Session at the Town Hall on February 20, 2010, at 9 a.m. with the following present:

Mayor Woodard H. Gurley; Mayor Pro Tem Bobby Wooten; Council Members Larry Gladney, Clifton Harrison, David S. Holmes, Veronica Lee and Gregory Rouse; Town Manager, John P. Craft; Town Clerk, Nelda H. Johnson, CMC.

Absent: George Jenkins, Jr., Attorney

Guest: Tyrone Morgan, Superintendent of Public Works
Keith Thornton, Superintendent of Electric

Mayor Gurley called the meeting to order and asked Council Member Harrison to give the invocation.

Manager Craft stated the agenda for this Special Meeting had previously been approved at the February 1, 2010, meeting; but, requested to add the following items: (1) ELECTRIC RATE COMPARASION to be added in discussion along with the Electric Rate Discussion/Update and (2) RAILROAD CROSSING UPDATE/TRAFFIC FLOW DIRECTION and delete the following item: LEEF BYLAWS because Attorney Jenkins was not able to complete his preparation of the bylaws.

Motion was made by Council Member Harrison, seconded by Council Member Holmes to amend the agenda with the three above items. Motion carried 6-0 in favor of motion.

Manager Craft announced that the Town's two new elected officials, Council Member Holmes and Council Member Lee attended the orientation for new Council Members for two days in Greenville this past week.

Manager Craft reminded the other Council Members of a law passed by the General Assembly in 2009 that requires all elected officials to have required ethics training by January 1, 2011. The North Carolina League of Municipalities (NCLM) will be providing some training opportunities. On March 25th a webinar will be held and on April 20th an ethics class will be held in Smithfield.

Manager Craft stated that he intentionally left the invocation off of the agenda today because there was recently a court action that it was inappropriate and it violates constitutional rights to open our meetings with prayer. Manager Craft stated that he was not in agreement with this action, but until some additional actions are taken by individuals in court, the Council would not be able to open with prayer anymore.

Council Member Harrison asked if we couldn't open with prayer anyway as he did not agree with the decision. Council Member Harrison further stated that he would like to make a motion to continue to open the Council sessions with prayer.

Mayor Pro Tem Wooten stated that the Council would be violating the law.

Council Member Holmes seconded Council Member Harrison's motion.

Council Member Gladney asked Manager Craft what the law stated.

Manager Craft stated that he had not read the law in its entirety but the synopsis is that it violates the public's constitutional rights. The case law came from a place in the western part of the State. Manager Craft stated that if the Council knowingly does something wrong the Town is opening themselves for potential liability and could be sued.

After continued discussion, Mayor Gurley called for a vote on the motion. Motion failed 4-2 with Mayor Pro Tem Wooten, Council Members Gladney, Lee and Rouse voting

against the motion and Council Members Harrison and Holmes voting in favor of the motion.

ITEM 1: NEW PROGRAMS TO BE INCLUDED IN FY 2010-2011 BUDGET

- General discussion pertaining to new programs; Guidance relative to COLA; Health insurance options

Manager Craft stated that in preparation for the FY 2010-2011 budget process, he requested that the Council inform him of any new programs or initiatives that the Town Council wants to include in the new budget.

Manager Craft stated that he wanted to discuss with the Council two items that will have a bearing on the new budget relative to personnel cost. Manager Craft stated that he was looking for guidance from the Council by April on what they desired in the way of a Cost of Living Adjustment (COLA) for the employees in the new budget; also, the Town's health insurance option for employees. Concerning employee compensation, last year was the first year that merit increases were not given to the Town's better employees and that was primarily due to a tight budget. Manager Craft stated that he would like to see merit increases put back in the budget this year to reward those employees that go above and beyond their duties.

Manager Craft reviewed the Town's health insurance plan stating that the Town is currently with the North Carolina League of Municipalities (NCLM) and there are four tiers of benefit plans and at present the Town is participating in the next to the lowest tier. Manager Craft stated that he was talking recently with a participant in the State's Health Plan which has a significantly lower cost than what the Town is paying at present and also has better benefits. At present, the only insurance plan the Town qualifies for, and can continue because of our retiree insurance coverage, is the NCLM. The cost for active employees is \$475 per month and the cost for retirees is \$665 per month. It is projected that the Town can expect an 11% increase in health insurance cost in the coming year.

Manager Craft stated that he would like to access the State Health's Insurance Plan for the employees. This would require special legislation to include La Grange in this plan and Representative Van Braxton would have to be contacted to introduce this legislation on the Town's behalf.

After continued discussion, the Council had no objections in allowing Manager Craft to pursue the necessary steps to begin the transition from the NCLM Health Care Program to the State Health Care Plan. Manager Craft stated that he could not guarantee that the legislation would pass.

- Planned Water Rate Increase

Manager Craft discussed the planned water rate increase required to purchase additional water withdrawal right as required by Contract the Town of Farmville. The rate will increase to \$8 per month per customer, possibly 75% on the flat rate and 25% in consumption. The Contract cost increased from \$5,000 per month to over \$30,000 per month beginning this month and the increase in the water rate is a requirement to meet the FY 2010-2011 budget expenditure. The Contract with the Town of Farmville will end in 2018.

The Council did not suggest any new project or programs for FY 2010-2011.

ITEM 2: UPCOMING CONTRACT RENEWAL OPTIONS

- Facilities maintenance contract with Danny Smith Landscaping & Maintenance

Council Member Holmes requested to abstain from voting on this item as he is an employee of Danny Smith.

Manager Craft stated that the fixed cost contract expired originally on June 30, 2009, and was extended one year at the same cost and would be expiring on June 30, 2010. Additional areas that need to be added in the near future include the 62 acres for the Recreation Complex that either needs to be contracted or handled in-house.

Manager Craft stated that he recommended bringing the services back in-house utilizing one additional employee and primarily inmate labor. Manager Craft stated that he proposed to transfer employee, Clifton Hardy, back to the Cemetery/Grounds Department, give him primary responsibility for cemetery maintenance, right-of-ways, vacant lots, park maintenance, and downtown areas. The current contract is \$68,400 and bringing the work back in-house and even with the addition of one Town employee in the Public Works Department would be a savings to the Town of \$17,582.

Manager Craft informed the Council of a recent change by the State in utilizing the inmates in our area from Greene Correctional Center. Program Directors from Greene Correctional Center and Duplin Correctional Center met with the Town on Tuesday, February 16th and because of a hospital closing in Duplin County 100 medical beds were moved from the Duplin facility to the Greene facility. With Lenoir Memorial Hospital and Pitt Memorial Hospital being close to the Greene facility the inmates with medical needs would be better served. The Town will now be utilizing inmates from the Duplin County Correctional Center.

Manager Craft discussed with the Council that the only potential problem with bringing back in-house the grounds maintenance would be the loss of the Inmate Labor Contract. Should this happen for any reason, the Town may have to return to contract labor. The advantages are cost savings and additional services can be derived at a cheaper cost

After continued discussion among the Council, Manager Craft and Superintendent Morgan, motion was made by Mayor Pro Tem Wooten, seconded by Council Member Gladney to pursue bringing the grounds maintenance back in-house by transferring Clifton Hardy to the Cemetery Department and adding one position in the Public Works Department to replace Mr. Hardy's position. Motion carried 5-0 in favor of motion.

ITEM 3: EQUIPMENT REPLACEMENT PLAN

- Review of updated equipment replacement plan as recommended by Town Manager and Department Heads

Manager Craft provided an updated copy of the Town's Equipment Replacement Plan and discussed the plan in detail. Manager Craft stated that this plan would provide for the replacement of aging equipment before major maintenance expenditures occur, reduces budget pressure, reduces need for lease purchases or loans except for most expensive equipment purchases, has enabled the Town to pay off all loans except for garbage trucks and garbage carts; has primarily avoided major expenditures and maximizes resale value of retired equipment.

Manager Craft stated that there is a potential that one police car may have to be purchased during the upcoming FY that is not included in the updated Equipment Replacement Plan. Copy of plan hereto attached.

The Council and Manager Craft discussed building an additional building at the Public Works Complex for the purpose of housing trucks and equipment. Based on several comments concerning the protection of the Town's equipment, Manager Craft stated that he would pursue the project and received bids.

ITEM 4: ELECTRIC RATE DISCUSSION/COMPARISON AND UPDATE

- Federal Energy Information Administration (EIA) Report

Manager Craft stated that he wanted to discuss rate comparison and the cost per kWh relative to information provided by the Department of Energy compiled through an EIA

report that is filed annually by all electric providers. The information provided is based on 2008 data as the 2009 reports are not due until April 2010. Manager Craft provided the Council with information on 37 entities and discussed in detail residential customer data showing the entity name, ownership, number of customers, sales in mWH, revenues and average price in cents/kw.

Manager Craft stated that the reason for the information is the controversy facing entities and increased press coverage, higher than average usage for the last billing period resulting in high bills, complaints and keeping the Council informed of our rates compared to other providers and competitors.

- Other information

Manager Craft stated that a customer has expressed a desire to be on the Council agenda for March concerning high utility bills and high utility rates. Manager Craft stated that customers with this concern should be heard during the public comment period.

Manager Craft stated that the Town of La Grange sponsored an energy fair about two years ago at the Fire Department with representatives from various agencies such as WAGES to assist customers with ways to help conserve energy in order to reduce their utility bills. There was no interest shown from the public.

Council Members suggested that the Town sponsor another energy fair with as much advertising exposure as possible.

ITEM 5: CHRISTMAS DECORATIONS

Manager Craft stated that he had received a few complaints relative to the Town's Christmas decorations. They were reworked by the Electrical Department in about 2005 but they are getting in poor condition. Manager Craft provided some brochures and information on the styles and cost of new decorations. To purchase all new decorations comparable to the ones the Town now has and not add any to the quantity would cost approximately \$15,500. To refurbish our existing decorations would cost approximately \$6,000. Manager Craft stated that his recommendation to the Council was to refurbish the Town's existing decorations and not add any additional new items.

After discussion, motion was made by Mayor Pro Tem Wooten, seconded by Council Member Rouse to accept Manager Craft's recommendation to refurbish the Town's existing Christmas decorations. Motion carried 6-0 in favor of motion.

ITEM 6: WEST BOUNDARY STREET DRAINAGE IMPROVEMENTS

Manager Craft provided photos of areas of West Boundary Street that has a problem with drainage and reviewed them in detail with the Council. Manager Craft stated that there are a couple of options for the improvements and both would be determined by the elevation and a survey of the land would be required.

Manager Craft stated that as a first option he would recommend an open ditch along Simmons Alley, back across the back portion of Mrs. Lillian Bright's property and then between property lines using tile and a catch basin. This route would be less involved and it provides relief for water on the street near the Bright property.

A second option would be to access a catch basin, ditch and tile along the right-of-way and tying back in by the Bright property. About 350' more ditching would be involved than the first option. This option may not give the Bright property the drainage relief needed.

Manager Craft stated that after the survey was complete and the elevations were determined, a decision would be made concerning the best option to proceed with the drainage improvements.

ITEM 7: RAILROAD CROSSING CLOSURE AND STREET RESURFACING PROJECT UPDATE AND GUIDANCE

Manager Craft gave the Council an update on the status of the railroad crossing closures and street resurfacing project and also needed guidance on traffic flow. This project has been going on for more than three years. Manager Craft stated that he received communication this past Wednesday that the Department of Transportation would begin in early March on the project. Manager Craft stated that he had requested that the Forbes Street crossing not be closed until the widening of Charles Street was complete.

For safety, stops signs will be placed on each side of the crossing by the DOT on Forbes Street and the traffic would free flow from Forbes Street onto Railroad Street. After discussion, there was no additional guidance or recommendation on the Forbes and Railroad Streets traffic flow.

ITEM 8: STAFFING NEEDS AND SUCCESSION PLANNING

Manager Craft stated that the Town needed to look toward the future and plan staffing needs. Nelda Johnson, Town Clerk/Finance Officer has formally retired and then rehired February 1st and will be working until June. Keith Thornton, Electrical Supervisor will probably retire in 4 to 5 years; the position that is open within his department the Town will attempt to hire a person that would likely be his successor. Current staffing is as follows:

- Administration – 1 Full Time
- Finance – 4 Full Time, 1 Part Time
- Public Services – 7 Full Time, 8 Inmates
- Electric – 2 Full Time
- WWTP – 3 Full Time
- Total Positions – 17 Full Time; 1 Part Time

Manager Craft stated that he recommended the following Town Staff:

- Administration – 1 Full Time, ½ Time
- Finance – 4 Full Time, ½ Time, 1 Part Time
- Public Services – 8 Full Time, 8 Inmates
- Electric – 2 Full Time
- WWTP – 3 Full Time
- Total Position: 19 Full Time; 1 Part Time

The staff increased proposed is one full time position to be split between Administration and Finance; and, 1 full time position in Public Services due to the recommendation that Clifton Hardy be transferred to the Cemetery/Grounds Department.

Manager Craft explained the reasoning for hiring an additional employee to be split between Administration and Finance. This would ensure continued operations with minimal disruption to operations if an employee dies, resigns or retires; also, to ensure that the needs of the Town and its customers are met following those circumstances. Hiring another person in Administration and Finance would provide administrative support to the Manager and help out the office staff on extremely busy collection days. Manager Craft further stated that having someone to work closely with him and learn about grants and projects that are in progress would very invaluable should something happen to him suddenly. This person could step up and keep all departments and projects running smoothly until a suitable replacement is found. All key personnel need some type of plan replacement. Manager Craft stated that he did have confidence in all Department Heads and the jobs they are performing for the Town. The Clerk's position will be advertised mid March and we hope to have the position filled and in place by late May or early June.

OTHER INFORMATION

Manager Craft stated that prepay on utility bills was still in the testing phase and going well with just a couple of issues to be worked out.

ITEM 8: ADJOURNEMENT

Motion was made by Mayor Pro Tem Wooten, seconded by Council Member Harrison to adjourn.

Nelda H. Johnson, CMC, Town Clerk

Woodard H. Gurley, Mayor