

REGULAR MEETING

The Town Council of the Town of La Grange, North Carolina met in Regular Session at the Town Hall on April 7, 2008, at 7 p.m. with the following present:

Mayor Woodard H. Gurley; Mayor Pro Tem Bobby Wooten; Council Members Larry Gladney, Elliott Sutton, George Koonce, Gregory Rouse and Clifton Harrison; Town Manager John P. Craft; Town Attorney, George Jenkins, Jr.; Town Clerk, Nelda H. Johnson, CMC.

Absent: None

Guest: 12

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

Mayor Gurley called the meeting to order and asked Mayor Pro Tem Wooten to give the invocation. Mayor Gurley welcomed all Council Members and guest.

ITEM 4: PUBLIC HEARINGS

None

ITEM 5: PUBLIC COMMENT PERIOD

(1) Clifton Gardner, 103 Lenoir Street, spoke concerning the abandoned houses on Phillips Street stating that people stay in the houses at night and on weekends and sometimes shooting occurs. Mr. Gardner requested that the Town Council get in touch with the owners to fix them up or tear them down. Mr. Gardner also had concerns about the traffic leaving Boundary Street and turning onto South Caswell Street toward the Methodist Church. People are parking in the traffic lane in front of the church and causing other drivers to move into the turning lane and this possibly was going to cause accidents.

(2) Judy Fields, 114 West Railroad Street, spoke concerning the slogan for La Grange stating that she had lived in La Grange all her life and felt that we do have a quaint, unique town and she felt the slogan should remain "The Garden Spot." If a business wanted to adopt another slogan that would be good, but the slogan should not change.

(3) Debbie Foss, 608 South Charles Street, spoke concerning the mobile home park near her home stating that a person could be black or white, rich or poor, but could be clean. The park is an embarrassment and if there is not a Town ordinance to address this situation, then one needs to be done as soon as possible. Another concern was the trash on Railroad Street. If appears that as soon as the Town personnel picks up the trash more is put out. Railroad Street is one of the prettiest streets in Town and citizens should not have to look at trash all the time. Mrs. Foss further stated that she is also tired of looking at trash in front of her house stating that people need to put trash in their own front yard, not across the street and not next door. Mrs. Foss also spoke concerning the Town slogan stating that she did not want the Town slogan to change and she had lived here thirty years and the slogan needed to remain "The Garden Spot."

Mayor Gurley and Manager Craft took this opportunity to publicly thank Mrs. Foss for the volunteer service that she and her husband have given to the Town. The crepe myrtle trees around the Town's walking trail were donated by Mr. and Mrs. Foss and also Mrs. Foss helps keep the litter picked up. Mrs. Foss also volunteered her time to plant pansies in the planters in the downtown area.

ITEM 6: AMENDMENT(S) TO AND APPROVAL OF THE AGENDA

Manager Craft recommended approval of the printed agenda with the addition of ITEM 8F: PURCHASE OF LAND – NAN DAWSON PROPERTY – 217 EAST WASHINGTON STREET.

Motion was made by Council Member Gladney, seconded by Council Member Sutton to approve the printed agenda with the addition of amendment ITEM 8F as listed above. Motion carried 6-0 in favor of motion.

ITEM 7: CONSENT AGENDA

- a. Approval of Minutes**
 - i. March 3, 2008 Regular Session Minutes
- b. Approval of FY 2008-2009 Fire Department Budget (Copy hereto attached).**
- c. Approve submission of USDA Grant Application and direct Mayor, Town Clerk, and Town Manager to execute necessary grant documents**

Motion was made by Council Member Gladney, seconded by Council Member Rouse to approve the Consent Agenda. Motion carried 6-0 in favor of motion.

ITEM 8: NEW BUSINESS

ITEM 8A: REQUEST TO ADDRESS THE TOWN COUNCIL – JESSIE TILTON, CEO, ELECTRICITIES OF NORTH CAROLINA REGARDING PUBLIC POWER GRASS ROOTS NETWORK

Manager Craft introduced Jessie Tilton, CEO of ElectriCities of North Carolina and Ken Raber, Senior Vice President of North Carolina Eastern Municipal Power Agency. Mr. Tilton will be providing an overview of a new grassroots political initiative that is being called Public Power Grassroots Network (PPGN) and is being launched by ElectriCities of North Carolina. This initiative is designed to involve local elected leaders in the legislative process and Mr. Tilton will solicit the support and participation of the Town Council in future lobbying efforts. Manager Craft stated that he is a proponent of the program/initiative and view local participation as vital to the future of public power not only in North Carolina, but the nation as a whole.

Mr. Tilton stated that it was a pleasure to appear before the Town Council. Mr. Tilton began by informing the Council that PPGN was a network of participants who believe in the benefits of public power and support the economic well-being of public power communities. PPGN is comprised of elected officials, city managers, utility workers, public power employees, business leaders and anyone who believes in the benefits of public power. La Grange should be involved in PPGN because of Senate Bill 512 and House Bill 1395 that concerns electric territory; Senate Bill 3 concerns Renewable Energy Portfolio Standards for North Carolina; Stop the “Chip-away” Cooperative Strategy; Load Growth – Economic Development, Annexations.

Mr. Tilton stated that the ElectriCities Board/CEO/Staff will make presentations of PPGN to elected officials at 51 Power Agency cities and strongly encouraged La Grange’s active political participation as it is necessary to involve community leaders on legislative issues.

Mayor Pro Tem was concerned about the Lieberman-Warner bill concerning climate change and what might be the impact on the members of ElectriCities.

Mr. Tilton explained that the Lieberman-Warner Bill is the leading bill in Congress on climate change and is similar to the Renewable Energy Portfolio Standards bill in that the idea is to be kinder to the environment. The Lieberman-Warner bill states don’t do anything that creates carbon dioxide, carbon monoxide (don’t burn things). More than half the electricity used in this country comes from burning coal that creates carbon

dioxide. The bill is designed to punish with a tax those companies who burn coal. This Bill could have a tremendous impact on electric rates. Senator Doyle and Senator Burr have been visited and real concern was expressed concerning the Lieberman-Warner bill because it will hurt the economy in eastern North Carolina.

ITEM 8B: REQUEST TO ADDRESS THE TOWN COUNCIL – RONNIE PARKER, DIRECTOR OF VETERAN’S OUTREACH CENTER REGARDING VETERAN’S OUTREACH SERVICES

Mr. Parker was not present to address the Council.

ITEM 8C: APPROVAL OF NEW PERSONNEL POLICY

Manager Craft stated that over the last year he had been working on updating the Town’s Personnel Policy and had completed the revision for the Council’s review.

Manager Craft reviewed the major recommended changes as follows:

- **Accrual of Vacation Time**
The structure has changed to 5 tiers and an enhancement for new employees as to allow employees with 0-5 years of service 2 weeks vacation per year.
- **Addition of Second Thanksgiving Holiday (the day after Thanksgiving)**
- **Changes in Death Leave**
Immediate family will include: spouse, children, grandchildren, brother, sister, parents, grandparents, son-in-law or daughter-in-law.
- **After hours, holiday, and disaster related work pay provisions**
Hourly paid employees that are required to work due to adverse weather conditions or approved holidays and the Town Hall and town services are closed; those employees will receive double time for those hours worked.
- **Update FMLA & Military Leave Sections**
- **Educational Leave Approval**
The Manager will make these approvals.

Council Member Gladney questioned the grievance procedures and suggested an Appeal Board that could possibly be made up of five citizens.

Manager Craft strongly opposed this procedure because citizens at large are not aware of the legal ramifications of actions that led to the termination or disciplinary action of an employee. Also, as small as La Grange is, there would be too many conflicts of interest.

Council Member Koonce questioned the death leave and why mother-in-law or father-in-law was not included in immediate family members.

Manager Craft stated that the list had to stop at some point and he certainly was not opposed to adding mother-in-law and father-in-law with Council’s approval.

Council Member Gladney stated that at this time while personnel was being discussed, that the Council should consider hiring an assistant for Manager Craft.

Manager Craft stated that an assistant was not needed at this time as the Public Works Department and Electric Department needed more employees in their departments.

After discussion among Council Members and Manager Craft, motion was made by Council Member Rouse, seconded by Council Member Koonce to amend the definition of immediately family in the personnel policy to include mother-in-law or father-in law. Council Members Rouse, Koonce and Gladney voted in favor of the motion. Mayor Pro Tem Wooten, Council Members Harrison and Sutton voted in opposition of the motion. With the vote being a tie, Mayor Gurley voted in opposition of the motion; therefore, the motion failed 4-3.

Motion was made by Mayor Pro Tem Wooten, seconded by Council Member Harrison to approve the Personnel Policy as presented. Mayor Pro Tem Wooten, Council Members Harrison and Sutton voted in favor of the motion. Council Members Rouse, Koonce and Gladney voted in opposition of the motion. With the vote being a tie, Mayor Gurley voted in favor of the motion; therefore, the motion passed 4-3. Copy of Personnel Policy in Clerk's office.

ITEM 8D: REVIEW OF PROPOSED CHANGES TO CHAPTER 2; ADMINISTRATION AND CHAPTER 38, ZONING OF THE TOWN CODE OF ORDINANCES

Manager Craft stated, as previously discussed, the Town has experienced limited participation primarily with membership of the Planning Board, but also on the Board of Adjustment. Manager Craft stated that he had discussed the issue with members that attended a recent joint meeting of the Planning Board and Board of Adjustment. During the meeting Manager Craft proposed the idea of combining the membership of the Planning Board and Board of Adjustment to create a larger Planning Board initially, and through attrition, reduce the membership of the Planning Board back to a more manageable number of 7 members. Also discussed was implementing attendance requirement to ensure that the members actively participate to retain a "seat" on the Board. The combination is proposed to bolster the number of members and increase the likelihood that a quorum would be present to enable the Planning Board of function. At the present time, the Planning Board is working on the Town's Land Use Plan and upon its completion, will begin work to update the Zoning Ordinance.

Under a new proposal, the Board of Adjustment activities would transfer to the Town Council. This is advantageous in that the Council would have an attorney present for all such activities and could be assured that they had received both staff and legal advice prior to taking action. With limited resources, having a single Board would improve the Town's ability to carry out essential tasks efficiently and in a cost effective manner by reducing legal fees that would be necessary to ensure attendance of an attorney at Board of Adjustment activities.

Manager Craft reviewed in detail the proposed amendments to Chapter 2, Administration and Chapter 38, Zoning for the Council's consideration.

After review and discussion of the proposed changes to the Town Code of Ordinances relative to the makeup and composition of the Planning Board and Board of Adjustment, a public hearing to receive public input on the proposed changes was scheduled for May 5, 2008.

ITEM 8E: DISCUSSION RELATED TO FUTURE ELECTRICAL RATES

Manager Craft stated that he had already mentioned that there is an impending electric rate increase that will be imposed on the Town that will likely begin with the utility that the Town will receive in October, which will be for usage during the calendar month of September. The increase is due impart to passage of Senate Bill 3 and to increased costs that the Power Agency has seen in nuclear and fossil fuels. The industry, as a whole, is seeing a 30% increase this year, and projected another 30% in the following year, and another 30% in the third year for nuclear fuel cost. Over the next three years there will be an approximate increase of 90% in nuclear fuel costs. Two-thirds of our generation of electricity in the Eastern Power Agency comes from nuclear fuel. Gas at the pumps, coal prices and natural gas prices continue to rise also.

Manager Craft stated that he was relating this information in an open forum to give the public some advance notice that there will be an increase in the Town's bill beginning with the September usage. At the present time, it is not known what the percentage increase may be. There will be a significant rate increase that the Town will not be able to absorb entirely. The Town will not have firm numbers on the increase until the end of June.

Manager Craft stated that there are two options that the Council can consider. (1) The safest option is to wait until late June and see what the actual rate increase may be. (2)

Begin with a smaller increase to the Town's customers to lower the overall impact. The risk with this option is that the increase could be set too high or too low. This could cause confusion with our customers. With the limited information made available to the Board of Directors of the NCEMPA, Manager Craft stated that he did not feel comfortable to quoting a specific percentage. Based on prior information the total increase will be between 6% and 8%.

Manager Craft stated that he would like direction from the Council on preparing the budget for FY 08-09 as it will have to be completed before the increase is known. Worst case would be to budget our expenditure for purchase of electricity for resale on an 8% increase. Revenues would be budgeted based on an increase to offset the additional costs.

After discussion and with no objections from the Council the FY 2008-2009 budget will be prepared with a rate structure showing a 6% to 8% increase related to the purchase of electricity.

ITEM 8F: PURCHASE OF LAND – 217 EAST WASHINGTON STREET

Manager Craft stated that he had received a call from Attorney Jenkins and with very little time he had to make a decision on the property at 217 East Washington Street. This property was going to be sold at the courthouse steps that very day. A lien has been placed on this property by the Town in excess of \$9,000 for demolition clean-up and Manager Craft stated that he instructed Attorney Jenkins to bid on the property to help protect the Town's investment. The back taxes are approximately \$2,560 and the Town was able to buy the property for \$2,600. About \$800 will come back to the Town for our portion of the tax revenue.

ITEM 9: OLD BUSINESS

ITEM 9A: UPDATE ON VOLTAGE REGULATION PROJECT

Recently the Council approved the installation of a regulator bank to provide regulated power to our customers and to enable the Town to regulate voltage during load management periods. The regulators have been obtained, the pad has been poured and associated structure to contain/support the regulators and necessary switches has been built.

The Electrical Department will be completing the installation of insulators, switches and wiring on the structure itself and be ready to have Progress Energy make the connection to our regulator bank from their system. A power outage will be scheduled and Manager Craft stated that he proposed to have the outage beginning at midnight on a Friday night. The outage should last approximately two hours and during this time the Town would make the connections from the regulator banks to our two circuits. Having the power outage scheduled on a Friday night will less likely cause our citizens to miss work or church because their clocks went out. An ad will be run in the paper to notify the Town's customers of the outage to give them advance notice and allow them an opportunity to plan for the outage.

INFORMATIONAL ITEM

Manager Craft reported that Attorney Jenkins had received the check from Lenoir County Board of Education in the amount of \$2,943.70 for the sale of a portion of Town property that had been encroached upon. Receipt of this check formalizes and completes the sale.

ITEM 10: CLOSED SESSION

Motion was made by Council Member Gladney, seconded by Mayor Pro Tem Wooten to go into Closed Session pursuant to N.C.G.S. 143-318.11 (a) (4) (5) (6) (7) for discussion related to the approval of Closed Session minutes and for discussions

related to Economic Development, Contract Negotiations, and Personnel. Motion carried 6-0 in favor of motion.

ITEM11: ADJOURNMENT

Motion was made by Mayor Pro Tem Wooten, seconded by Council Member Sutton to adjourn. Motion carried 6-0 in favor motion.

Nelda H. Johnson, CMC, Town Clerk

Woodard H. Gurley, Mayor