

REGULAR MEETING

The Town Council of the Town of La Grange, North Carolina met in Regular Session at the Town Hall on May 3, 2010, at 6 p.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 Attorney, George Jenkins, Jr.; Town Clerk, Nelda H. Johnson, CMC.

Absent: None

Guest: 4

ITEMS 1, 2, 3: CALL TO ORDER, MOMENT OF SILENCE, WELCOME

Mayor Gurley called the meeting to order and asked for a moment of silence. Mayor Gurley welcomed the guest.

ITEM 4: PUBLIC HEARINGS

None

ITEM 5: BOARD OF ADJUSTMENTS

None

ITEM 6: PUBLIC COMMENT PERIOD

None

ITEM 7: AMENDMENT(S) TO AND APPROVAL OF THE AGENDA

Manager Craft recommended approval of the printed agenda with the addition of two items:

ITEM 9B: REVIEW OF ELECTRIC OPERATIONS

ITEM 9C: TOWN HALL DAY IN RALEIGH

Motion was made by Mayor Pro Tem Wooten, seconded by Council Member Harrison to approve the printed agenda with the addition of the two above items. Motion carried 6-0 in favor of motion.

ITEM 8: CONSENT AGENDA

- A. Approval of Minutes
 - 1. April 5, 2010 Regular Session
 - 2. April 15, 2010 Special Session
- B. Approval of FY 2010-2011 Fire Department Budget (Copy of Budget hereto attached)

Council Member Gladney made a correction to the April 15, 2010 Special Session minutes stating that the last paragraph in ITEM 4 should state that the vote was 5-0 in favor of the motion as Council Member Rouse was not available for the vote.

Attorney Jenkins made a correction to the April 15, 2010 Special Session minutes stating that the word "Association" should be deleted in reference to using the term "State Bar".

Motion was made by Council Member Gladney, seconded by Council Member Lee to approve the Consent Agenda with the two corrections to the April 15, 2010 Special Session minutes as stated. Motion carried 6-0 in favor of motion.

ITEM 9: NEW BUSINESS

ITEM 9A: GUIDANCE RELATED TO FY 2010-2011 BUDGET

Manager Craft stated that he was in the beginning process of the preparation for the FY 2010 – 2011 Budget and was seeking guidance on the inclusion/exclusion of the following three budget items. Manager Craft provided information on each item.

- Cost of Living Adjustment (COLA) and Merit Increases for Town Employees
 - Considerations include the annual evaluation of Consumer Price Index (CPI) as published by the United States Department of Labor
 - USDOL indicated that the CPI increased by 2.3% in the 12 months prior to March 2010
 - If approved, COLA is applied to all town employees
 - Actual percentage to be determined by the Town Council
 - Can be on a sliding scale
 - Merit increases are provided to individual employees based on his/her individual performance. Generally, merit increases are given to less than ¼ of all employees
 - The most desirable is a combination of a COLA and merit for most valuable employees as this would help employees not fall behind on the pay scale
 - Manager Craft recommended for the FY 2010- 2011 budget that Council approve a 2% COLA plus 25% merit pool
 - Anticipated cost for 2% COLA is \$16,500
 - Estimated 25% merit pool is \$7,500

Council Member Harrison questioned the COLA as the Social Security Administration determined during 2009 that there was no increase in the cost of living and asked how the 2.3% increase was determined.

Manager Craft stated that the Social Security Administration did report last year that the CPI remained basically unchanged; but the statistics on the 2.3% were provided by the US Department of Labor for our region.

- Building for Electric Department
 - Anticipated cost is \$125,000
 - Funded without additional rate increase
 - Needed to provide additional space to house equipment sensitive to elements
 - Would free up space in existing building to house public services equipment
 - ✓ Vacuum Trailer
 - ✓ Jet Rodder
 - ✓ Service Trucks
 - Council had previously authorized informal bidding of project
- Enhancements to the Town Council Chamber
 - Sound System – Lapel Microphones for the Town Council
 - ✓ Wireless - \$5,000
 - ✓ Wired - \$1,000
 - ✓ Although wireless would be better, Manager Craft recommended the wired version

- Screens/Computers
 - ✓ 10" minicomputers - \$2,400
 - ✓ 14" laptop computers - \$4,500
- Podium for Town Manager
 - ✓ Awaiting quote
- Other Improvements requested by Council

Manager Craft asked for guidance and comments from the Council related to the above items especially the COLA and merit increases for the employees.

Council Member Harrison stated that with the unemployment situation and the uncontrolled items that the Town would have to increase and the Federal and State government increasing taxes, he could not see spending tax dollars or support increasing budget expenses. Council Member Harrison further stated that the merit increases could be justified; but, due to economic conditions not the COLA or laptop computers. Council Member Harrison did support the podium for the Town Manager.

Discussion was held concerning the laptop computers and microphones for the Council Members. The main reasons for the microphones was because the Clerk could not understand clearly on the DVD the comments, discussions, and actions of the Council Members in order to prepare accurate minutes; and, also to have a true and understandable recording of the proceedings. All Council Members agreed to be more responsible and conscious about speaking directly into the current sound system.

Mayor Pro Tem Wooten stated that in his opinion that the good employees needed to be rewarded especially when they do a fantastic job and do what is asked and would like to see the Council consider this in the budget. Mayor Pro Tem Wooten stated that new computers seemed extravagant but would consider new microphones.

Council Member Gladney asked about the savings by using laptop computers versus a printed copy of the agenda.

Manager Craft stated that the print cost would include paper and toner; copier use and staff time; also, the time to hand deliver each agenda packet.

Mayor Gurley stated that in considering a COLA for the employees and considering the purchase of new computers for the Council, the COLA is more important.

Mayor Pro Tem Wooten asked about having the agenda emailed to personal computers.

Manager Craft stated that it could be done, but it would be the responsibility of the Council Member to printout their own agenda and there would be issues concerning paper and toner supplies reimbursement.

Manager Craft stated that he needed guidance on the budget items especially on the COLA and merit increases.

After continued discussion, motion was made by Mayor Pro Tem Wooten, seconded by Council Member Gladney to allow Manager Craft to include in the proposed FY 2010-2011 budget COLA and Merit Increases for Town Employees, Building for Electric Department and Enhancements to Town Council Chamber and the final decision of inclusions and exclusions would be decided during the Budget Work Session. Motion carried 5-1 in favor of motion with Council Member Harrison voting against the motion.

ITEM 9B: REVIEW OF ELECTRIC OPERATIONS

Manager Craft provided the Council Members with a memorandum prepared by the NC Department of State Treasurer, State and Local Government Finance Division and the Local Government Commission with Statistical Information on Electric System Operations. This memorandum enabled local officials to compare their locality's electric

system operations with the operations of other similar municipalities with electric systems.

Manager Craft gave an overview of the following information concerning the financial results for the period ending June 30, 2009.

- Power Purchases and Other Operating Expenses: Costs to operate system.
- Operating Margin: An indicator of profitability of Electric Operations; La Grange current is 7.6% up from 5.0% in 2006.
- Transfers Out: Ratio of transfers out of Electric Fund; La Grange current is 1%, down from 2.2% in 2006.
- Net Income Before Capital Contributions: La Grange current is 7.0%, up from 3.6% in 2006.
- Quick Ratio: Determines short term liquidity. Benchmark is 2.0%; La Grange current is 1.7%, up from 1.2% in 2006.
- Days Sales in Receivables: How quickly payments are being collected; La Grange current is 36.1 days, up from 32.7 days in 2006.
- Days Cash on Hand: Evaluates the town's unrestricted cash on hand; La Grange current is 50.8 days, up from 28.1 days in 2006.

ITEM 9C: TOWN HALL DAY IN RALEIGH – JUNE 16, 2010

Manager Craft reminded the Council Members that Town Hall Day in Raleigh was scheduled for Wednesday, June 16th and the registration deadline is June 2nd. Town Hall day gives Town officials the opportunity to meet with legislators and other elected officials.

ITEM 10: UNFINISHED BUSINESS AND INFORMATIONAL ITEMS

ITEM 10A: UPDATE REGARDING THE DEMOLITION OF 108 WEST RAILROAD STREET

Manager Craft stated that he had met with the property owner, Nicholas Picciotti two times since the last Council meeting and Code Enforcement Officer, Heith Harrison has been to the property and staff is pleased with the progress that Mr. Picciotti has made on the repairs. Staff recommends that no action be taken on the demolition at this time and another update will be given next month.

Mr. Picciotti was present and spoke stating that he knew that the Council had given him a couple of extensions to make the repairs and he really wanted to repair the house and was taking it seriously. Mr. Picciotti sited reasons for the delays were the weather and job responsibilities.

ITEM 10B: UPDATE ON SPRAYGROUND AND PARTF

Manager Craft stated that he had received the documents today from the engineer that he was waiting for and later the same day met with the Lenoir County Health Department staff. They were favorable with the information and will likely recommend approval of the permit in the next few days. There is a two week construction time and the project should be completed by the time school is out for the summer.

The PARTF Grant Application was completed and submitted and the Town anticipates award notification in late May.

ITEM 10C: UPDATE ON DISPOSAL OF SURPLUS REAL PROPERTY – 217 EAST WASHINGTON STREET

Manager Craft stated that the Council had previously approved the disposal of 217 East Washington Street and John Hood offered \$12,000 for the lot. An advertisement was placed in the Kinston Free Press for a 10 day upset bid period that ended April 26, 2010. No upset bids or inquiries were received. N.C.G.S. authorizes disposal for

negotiated price of \$12,000 to John Hood as previously approved by the Town Council. The Town anticipates transfer of property in the next couple of weeks.

ITEM 10D: HOLIDAY WORK SCHEDULE – MEMORIAL DAY

In accordance with the Town's Personnel Policy, the Town offices will be closed on Monday, May 31, 2010 in observance of Memorial Day.

Garbage collection schedules, other than special pick ups, will not be affected. Special pick ups will be handled on Tuesday, June 1, 2010.

ITEM 11: CLOSED SESSION

Motion was made by Mayor Pro Tem Wooten, seconded by Council Member Holmes to go into Closed Session as authorized by North Carolina General Statute 143-318.11 (a) (6). Motion carried 6-0 in favor of motion.

Motion was made by Mayor Pro Tem Wooten, seconded by Council Member Lee to return to the Regular Session. Motion carried 6-0 in favor of motion.

ITEM 12: ADJOURNMENT

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

Nelda H. Johnson, CMC, Town Clerk

Woodard H. Gurley, Mayor