

## **REGULAR MEETING**

The Town Council of the Town of La Grange, North Carolina met in Regular Session at the Town Hall on August 7, 2006, at 7:00 p.m. with the following present:

Mayor Woodard H. Gurley; Mayor Pro Tem Bobby R. Wooten; Council Members Larry Gladney, Walter Ellis, Jr., George Koonce, Elliott Sutton and Jeff Thomas; Town Manager, John P. Craft; Town Clerk, Phyllis T. Harrison, CMC; Town Attorney, George Jenkins, Jr.

Absent: Mayor Pro Tem Bobby Wooten

Guest: 8

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

Mayor Gurley called the meeting to order. Invocation was given by Council Member Sutton. Mayor Gurley welcomed all guest and Council Members.

### **ITEM 4: PUBLIC HEARINGS**

There were no public hearings scheduled.

### **ITEM 5: PUBLIC COMMENT PERIOD**

There was no request from citizens to speak to the Council.

### **ITEM 6: AMENDMENTS TO AND APPROVAL OF AGENDA**

Manager Craft requested that we add Item 9D – Update on the Railroad Crossings to the original agenda. Motion was made by Council Member Ellis and seconded by Council Member Sutton to add this item. Motion carried 5-0 in favor of motion.

### **ITEM 7: CONSENT AGENDA**

Motion was made by Council Member Thomas and seconded by Council Member Sutton to approve the consent agenda which consist of the following items:

- a. Approval of July 10, 2006 Regular Session Minutes**
- b. Declaration of Surplus Property (Copy hereto attached)**

Motion carried 5-0 in favor of motion.

## **8: NEW BUSINESS**

### **ITEM 8A: DISCUSSION PERTAINING TO RETIREE HEALTH INSURANCE BENEFITS**

Manager Craft reminded Council Members that the had mentioned to them in the past that the Town's practice of offering retiree health insurance to employees serving the Town for more that 25 years was terminated due to the anticipated cost. When the Council originally took the action a "line" was drawn stopping the benefits with those employees that were employed at that time.

Manager Craft presented the Council with several spreadsheets that make different assumptions as to the cost of this benefit to the Town. Manager Craft stated that the costs are staggering if you look at the impact of the benefit in years to come. Based on today's cost retiree benefit coverage is \$600/month per employee or \$7,200 per year. He said in the years to come you will have several employees receiving the benefit at

one time. Manager Craft said that the ones that had already indicated their intentions to retiree should be covered.

Manager Craft and Council Members discussed at length the spreadsheets and the different scenarios that were provided. Manager Craft did suggest that one possible solution would be to put a cap of a certain amount of dollars that the Town would pay each month and the retiree pay the remaining balance.

After lengthy discussion motion was made by Council Member Gladney and seconded by Council Member Ellis that this item be brought back up for discussion next month and that would give them additional time to think about it. Motion carried 3-2. Council Members Sutton and Thomas opposed.

#### **ITEM 8B: REVIEW OF DEPOSIT REQUIREMENTS**

Manager Craft informed Council Members that at the present time the Town requires that customers put a minimum of \$75.00 deposit down for utilities if they have a good letter of credit from a previous provider. Without a letter of credit the deposits are now \$250.00. Because of the fact that the Town's utility bills are billed in arrears the customer will have one full bill and possibly a portion of a second bill coming after they terminated their services with the Town and the \$250.00 will not be enough to cover the remaining balance due. Due to this fact the Town has \$175,000 in remaining balances that we have been unable to recover. Manager Craft stated that this is a significant amount of money that we have lost in the past due to bad accounts.

Manager Craft said that one way to help the situation would be to increase the deposit amounts. He recommended that the following deposit requirements be adopted:

- 1. The deposit for a customer who has established a satisfactory payment history with their previous utility provider over the past 18 months of service (and has been a user with that provider in the past 2 months) would deposit \$100.00 (which would include all services, electric, water and sewer.)**
- 2. Leave minimum deposit for water at \$75.00**
- 3. Add a deposit of \$75.00 for customers with sewer service**
- 4. Deposits for electric customers only would be \$300.00**
- 5. A customer who had electric, water, sewer and a poor letter of credit or no credit reference at all, the deposit would then be \$450.00**

Manager Craft stated that since 1996 we have 377 delinquent accounts owing more than \$89,900. Of these 377 accounts there are (6) that are in excess of \$1,000. Manager Craft said after evaluating these accounts it is his opinion that the deposit amounts listed above are in the best interest of the Town.

After lengthy discussion motion was made by Council Member Thomas and seconded by Council Member Ellis to approve Manager Craft's recommendation and increase the deposits as listed above. Motion carried 3 to 2 in favor of motion. Council Members Gladney and Koonce opposed.

#### **ITEM 8C: UPDATED OF PERSONNEL POLICY AND PAY CLASSIFICATION**

Manager Craft informed Council Members that the Town's Personnel Policy has not been updated, except for some minor changes, since it was adopted in 1994. Also the Town's current pay and classification plan remains the same except for changes due to the cost of living increases.

Manager Craft stated that due to this fact, with the Council's permission he would like to put out request for proposals to have an outside firm update both of these documents and have the job descriptions updated as well. He said after receiving the proposals he would bring them back to the council for further consideration and approval.

Motion was made by Council Member Ellis and seconded by Council Member Gladney authorizing Manager Craft to receive proposals for the update of the Town's Personnel Policy and Pay Classification Plan. Motion carried 5-0 in favor of motion.

**ITEM 9: OLD BUSINESS**

**ITEM 9A: RE-USE GRANT**

Manager Craft informed Council Members that we had received an extension on the Re-Use Grant.

**ITEM 9B: TOWN HALL RENOVATION PROJECT**

Manager Craft said everything was going good. The building is in the process of being painted, Keith and Joey have worked very hard to get the electrical work done, cable company and phone company have been contacted, hopefully everything will be completed in September.

**ITEM 9C: UPDATE ON 103 FLORIDA AVENUE**

Attorney Jenkins reported to Council Members that the property at 103 Florida Avenue will be sold at the Queen Street door at the Lenoir County Courthouse on Monday, August 28, at 12:01 p.m.

**ADD ON AGENDA ITEM 9D: UPDATE ON RAILROAD CROSSING CLOSURES**

Manager Craft informed Council Members that the engineers with the Railroad System and Department of Transportation would be here on Monday, August 21, 2006 at 1:00 p.m. to discuss some changes they had made in the proposed closures of certain railroad crossings and to give a power point presentation. He requested Council Members to attend if at all possible.

Motion was then made by Council Member Sutton and seconded by Council Member Ellis to go into Closed Session pursuant to N. C. G.S. 143-318 (a) (3) and (6) in relation to a personnel matter. Motion carried 5-0 in favor of motion.

**ITEM 8D: CLOSED SESSION**

No action was taken in Closed Session.

Motion was made by Council Member Sutton and seconded by Council Member Ellis to go back into Regular Session. Motion carried 5-0 in favor of motion.

Council Member Thomas stated that he would like to commend Aubrey Rouse and his crew on the work that had been done on the streets because everything looked better. He also commended the Police Department for their hard work in cleaning up the drug activity in Town.

Motion was then made by Council Member Thomas to adjourn.

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Phyllis T. Harrison, CMC, Town Clerk

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Woodard H. Gurley, Mayor