

# TOWN OF LA GRANGE, NORTH CAROLINA

## TOWN COUNCIL AGENDA



**June 7, 2010**  
**6:00 PM**



# TOWN OF LA GRANGE

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## TOWN COUNCIL AGENDA

June 7, 2010

1. Call to Order Mayor Gurley
2. Moment of Silence
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; May 3, 2010
9. New Business.
  - a. Approval of Loan Documents, Southern Bank for Renovations to the Harvey Building.
  - b. Establish date for Public Hearing, June 28, 2010 for Public Hearing regarding Loan for Construction of Harvey Building.
  - c. Approval of Resubmission of Rural Center Planning Grant Application.
10. Unfinished Business & Informational Items
  - a. Demolition of 108 West Railroad Street
  - b. PARTF Grant Application & Spray Ground
  - c. Reminder of Special June Council Meetings
11. Closed Session
12. Adjournment



## **PUBLIC HEARINGS**

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### **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.



## BOARD OF ADJUSTMENTS

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### AGENDA ITEM # 5

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

**RECOMMENDATION:** N/A



## PUBLIC COMMENT PERIOD

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### 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.



## AMENDMENTS TO AND/OR APPROVAL OF AGENDA

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### AGENDA ITEM # 7

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.



## CONSENT AGENDA

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### AGENDA ITEM # 8

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; May 3, 2010

**RECOMMENDATION:** Approval of Items submitted for Consent.



## APPROVAL OF MINUTES

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### CONSENT 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.

8. Approval of Minutes
  - a. Approval of Minutes
    - i. Regular Session Minutes; May 3, 2010

**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 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 16<sup>th</sup> and the registration deadline is June 2<sup>nd</sup>. 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 cited 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 Statue 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.

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Nelda H. Johnson, CMC, Town Clerk

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Woodard H. Gurley, Mayor



**APPROVAL OF LOAN DOCUMENTS  
WITH SOUTHERN BANK FOR  
RENOVATIONS TO HARVEY BUILDING**

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**AGENDA ITEM # 9A**

Although the Council has formally approved the financing of the improvements to the Harvey Building, and the improvements themselves, formal action must be taken to formally accept the terms of the financing and to instruct the Mayor, Town Manager, Attorney, and Town Clerk to execute the loan documents.

The loan is in the amount of \$90,000 through Southern Bank, for a ten (10) year period with a 4.83% interest rate, and \$400 loan fee. The financing will utilize tax exempt financing. Lenoir Community College will sign a ten year lease that will cover the cost of the principal and interest payments.

**RECOMMENDATION:** Approval of the loan, with terms as stated above, and instruct the Mayor, Town Manager, Town Attorney, and Town Clerk to execute necessary documents to execute the loan, and seek local government commission approval.



**ESTABLISH DATE FOR PUBLIC HEARING AS  
REQUIRED FOR LOCAL GOVERNMENT  
COMMISSION APPROVAL**

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**AGENDA ITEM # 9B**

The Local Government Commission will require that the Town hold a public hearing to receive public comment on the proposed loan for the renovation of the Harvey Building for Lenoir Community College. I recommend that the date of June 28, 2010 be established as the date for the Public Hearing, which I would recommend be held at 6:00 pm.

**RECOMMENDATION:** Establish June 28, 2010 at 6:00 pm for the date of a public hearing to receive Public Comment on the proposed loan.



## **APPROVAL OF RESUBMISSION OF RURAL CENTER PLANNING GRANT**

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### **AGENDA ITEM # 9C**

The town submitted a Rural Center Planning Grant Application to seek funding to complete a Comprehensive Capital Improvements Plan. We did not receive the grant in the last funding cycle. The deadline to refile the application is June 9, 2010. I would recommend that we reapply, as we are required by state requirements to update the plan. The cost of the plan preparation is estimated at \$50,000; with \$40,000 available in grant funding.

**RECOMMENDATION:** Approval of the resolution authorizing the filing of the grant application.



## **APPROVAL OF RESOLUTION ORDERING THE DEMOLITION OF 108 WEST RAILROAD STREET**

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### **AGENDA ITEM # 10A**

Staff will provide an update on the status of the demolition of the structure located at 108 West Railroad Street as ordered by the Town Council.

**RECOMMENDATION:** Informational Item – No Action is Required.



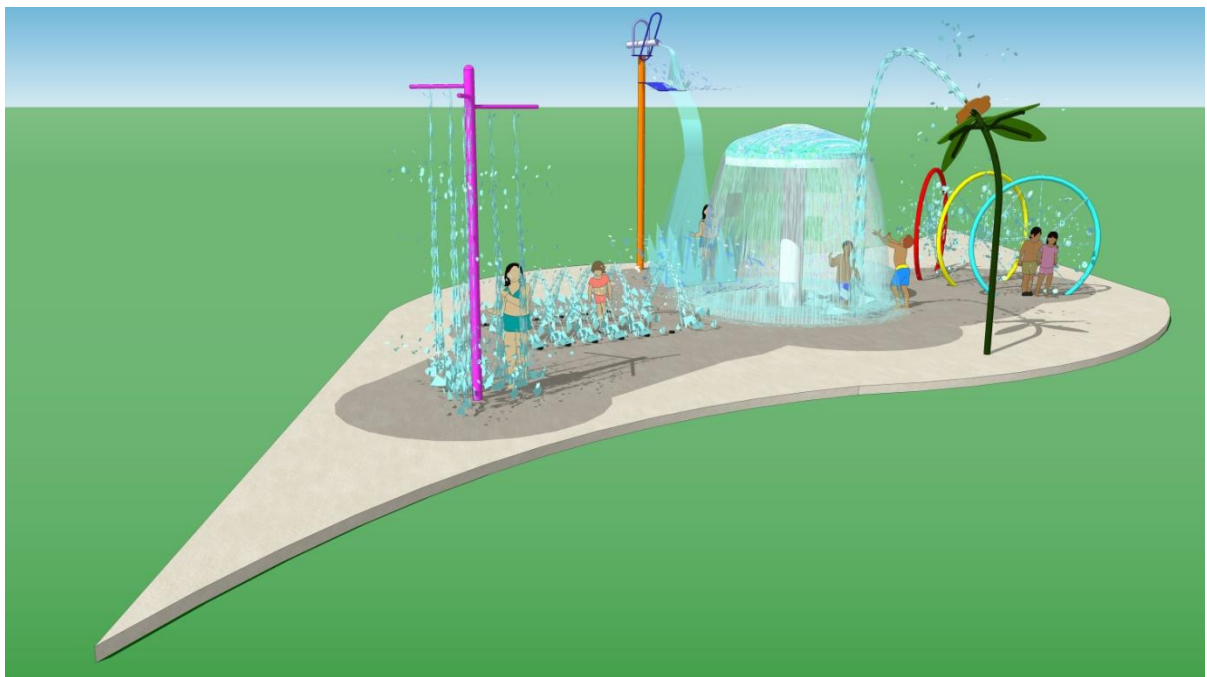
## UPDATE ON THE PARTF GRANT APPLICATION AND SPRAYGROUND

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### AGENDA ITEM # 10B

I will update you on the progress of PARTF Grant Application and the Sprayground construction project during the Council Meeting.



**RECOMMENDATION:** Informational Item – No Action is Required.



## **SPECIAL TOWN COUNCIL MEETINGS BUDGET WORKSHOP & PUBLIC HEARING**

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### **AGENDA ITEM # 10C**

As established by the Town Council, the Town Council will have two special meetings in June. It has established Tuesday June 8<sup>th</sup> and June 9<sup>th</sup> as a special Town Council Meeting for the purposes of reviewing the Municipal Budget, and Thursday June 9<sup>th</sup> as a Public Hearing and adoption of Municipal Budget. All meetings are scheduled for 6:00 pm.

**RECOMMENDATION:** No Action is Required – Informational only.



## CLOSED SESSION

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### AGENDA ITEM # 11

I am requesting a closed session pursuant to N.C.G.S. 143-318.11 (a) (8) for a discussion related to a personnel matter.

**RECOMMENDATION:** Informational Item – No Action is Required.