CITY OF LUMBERTON

CITY COUNCIL

MINUTES ● JUNE 20, 2014

Special Meeting | **Third Floor Conference Room** | **11:00 AM**

500 N Cedar St, Third Floor, Lumberton, NC 28358

I. CALL TO ORDER

Attendee Name	Title	Status	Arrived
Raymond B. Pennington	Mayor	Present	
Don Metzger	Mayor Pro Tem	Present	
John Robinson	Precinct 2	Present	
Burnis Wilkins	Precinct 3	Present	
Harry Ivey	Precinct 4	Present	
John Cantey Jr.	Precinct 5	Present	
Robert L. Jones	Precinct 6	Absent	
Leon Maynor	Precinct 7	Present	
Erich Hackney	Precinct 8	Present	
Wayne Horne	City Manager	Present	
Laney Mitchell-McIntosh	City Clerk	Present	
Edwin Holt Moore	City Attorney	Present	
Brandon Love	Planning Director	Present	
Linda Oxendine	Public Services Director	Present	
Michael McNeill	Police Chief	Present	

2. Invocation

Councilman Metzger gave the invocation.

II. AGENDA ITEMS

1. Approval of Routine Plans/Procedures - FY2014 Urgent Repair Grant Program - Brandon Love, Planning Director
   The City has been awarded a $80,000 grant from NC Housing Finance Agency for the FY14 Urgent Repair program. Funds will assist very-low and low income special needs owner occupied households with emergency housing repairs. Attached are the routine plans and procedures and the agreement with The Wooten Company to provide the work write-ups, cost estimates and inspections. The amount of funds paid to the consultant for program support are determined by a formula developed by NC Housing Finance Agency. Recommend Council approve the following routine plans/procedures and the agreement with The Wooten Company which will enable Staff to begin the project:

   1) Resolution of Grant acceptance
   2) Grant Project Ordinance
   3) Procurement/Disbursement Policy
   4) Assistance Policy
   5) Agreement with The Wooten Company

RESULT:	**APPROVED [7 TO 0]**
MOVER:	Harry Ivey, John Cantey Jr.
SECONDER:	Leon Maynor, Precinct 7
AYES:	Metzger, Robinson, Wilkins, Ivey, Cantey Jr., Maynor, Hackney
ABSTAIN:	Pennington
ABSENT:	Jones

2. Approval of 2.7% Energy and Demand Rate Decrease - Linda Oxendine, Public Services Director

The NC General Assembly voted last year to change the way electricity is taxed. House Bill 998, known as the Tax Simplification and Reduction Act became law in July of 2013. The Act made numerous changes to the tax laws, including changes to the sales tax on retail sales of electricity. This change affects all electric customers in North Carolina.

How Does this Change Affect the Customer:

- 3% sales tax rate on retail sales of electricity prior to July 1, 2014.
- 7% sales tax rate on retail sales of electricity on July 1, 2014 (excluding qualifying industrial customers that are exempt from taxation). DOR is required to distribute 44% of the amount collected from the 7% retail sales tax on electricity to the cites *(less administrative costs of the department)* as its franchise tax and ad valorem share quarterly.

How Does this Change Affect the City:

- In lieu of an annual franchise or privilege tax, the city's wholesale power provider (North Carolina Eastern Municipal Power Agency) pays to the State an amount equal to 3.22% of the gross receipts from the sale of electricity which is subsequently billed and collected from the city through its wholesale power rates.
- On July 1, 2014 the Gross Receipts Franchise Tax goes away.
- The Power Agency will provide a credit on the city's power bill for the 3.22% gross receipts tax beginning July 1, 2014 through the implementation date of the 2015 wholesale power rate change.

How Does this Change Affect the Customer's Retail Electric Rate:

- The customer's electric rate will reduce by a percentage to offset the elimination of the 3.22 % gross receipts tax.

Approve a 2.7% retail electric rate reduction *(energy and demand)* to offset the elimination of the 3.22% gross receipts tax currently embedded in the city's wholesale electric rates. Effective on sales of electricity **billed** on or after July 1, 2014.

RESULT:	**APPROVED [7 TO 0]**
MOVER:	Erich Hackney, Precinct 8
SECONDER:	Don Metzger, Mayor Pro Tem
AYES:	Metzger, Robinson, Wilkins, Ivey, Cantey Jr., Maynor, Hackney
ABSTAIN:	Pennington
ABSENT:	Jones

3. Approval of Notice of Award and Obligation of Grant Funds for LCCC - Brandon Love, Planning Director

   On February 19, 2014 bids were received for the construction of a new soup kitchen and transient housing facility for the Lumberton Christian Care Center. The low bid was from G & G Builders in the amount of $1,432,000 however an award was not made because the cost was well above the project budget. The architect then redesigned the building in an effort to bring the project within LCCC's budget and accepted new bids on April 8, 2014. Central Builders of Mebane was the low bidder with a base bid of $1,218,000. Although this number was 15% lower than the original bid, it still exceeded Lumberton Christian Care's budget. At that time, the architect entered into negotiations with Central Builders and Lumberton Christian Care Center to lower to overall cost of the project by reducing the square footage of the building and amending the project specifications. This resulted in a negotiated bid amount of $1,100,000. (Please see the attached *Notice of Award* for the project amount and funding sources.)

   Although the contract for construction of the new soup kitchen will be between the Lumberton Christian Care Center and Central Builders of Mebane, the City has secured a grant from CDBG to assist with the construction of the project. It is recommended that City Council accept the *Notice of Award* and obligate $345,880 in CDBG funding to the construction of the new Lumberton Christian Care Center.

RESULT:	**APPROVED [7 TO 0]**
MOVER:	Don Metzger, Mayor Pro Tem
SECONDER:	John Cantey Jr., Erich Hackney
AYES:	Metzger, Robinson, Wilkins, Ivey, Cantey Jr., Maynor, Hackney
ABSTAIN:	Pennington
ABSENT:	Jones

4. Meeting Schedule for FY2014-2015 - Wayne Horne, City Manager

   Attached is the schedule of City Council meetings for FY2014-2015 for your approval.

   Approved the attached schedule.

RESULT:	**APPROVED [7 TO 0]**
MOVER:	Erich Hackney, Precinct 8
SECONDER:	Don Metzger, Mayor Pro Tem
AYES:	Metzger, Robinson, Wilkins, Ivey, Cantey Jr., Maynor, Hackney
ABSTAIN:	Pennington
ABSENT:	Jones

5. Approve the designation of $200.00 for Summer Youth Programs in Precinct 2 - John Robinson, Precinct 2

   Councilman Robinson requests $200.00 of CRF to be given to Breath of Life Ministries, Inc., for summer youth programs.

   Designate $200.00 of CRF to BOLM for summer youth programs.

RESULT:	**APPROVED [7 TO 0]**
MOVER:	Erich Hackney, Precinct 8
SECONDER:	Don Metzger, Mayor Pro Tem
AYES:	Metzger, Robinson, Wilkins, Ivey, Cantey Jr., Maynor, Hackney
ABSTAIN:	Pennington
ABSENT:	Jones

6. Approve the designation of $700.00 of CRF for a Community Day in Precinct 3 - Burnis Wilkins, Precinct 3

   Councilman Wilkins requests $700.00 of CRF for a Community Day in Precinct 3.

   Designate $700.00 of CRF in Precinct 3 for a Community Day.

RESULT:	**APPROVED [7 TO 0]**
MOVER:	Erich Hackney, Precinct 8
SECONDER:	John Cantey Jr., Precinct 5
AYES:	Metzger, Robinson, Wilkins, Ivey, Cantey Jr., Maynor, Hackney
ABSTAIN:	Pennington
ABSENT:	Jones

7. Approve the designation of $200.00 for Summer Youth Programs in Precinct 4 - Harry Ivey, Precinct 4

   Councilman Ivey requests that $200.00 of CRF be given to Breath of Life Ministries, Inc., for summer youth programs.

   Designate $200.00 of CRF to the summer youth programs.

RESULT:	**APPROVED [7 TO 0]**
MOVER:	Erich Hackney, Precinct 8
SECONDER:	John Robinson, Precinct 2
AYES:	Metzger, Robinson, Wilkins, Ivey, Cantey Jr., Maynor, Hackney
ABSTAIN:	Pennington
ABSENT:	Jones

8. Approve the designation of $200.00 for Youth Summer Programs - John Cantey Jr., Precinct 5
   Councilman Cantey requests that $200.00 of CRF be given to Breath of Life Ministries, Inc., for summer youth programs.
   Designate $200.00 for the summer youth programs.

RESULT:	**APPROVED [7 TO 0]**
MOVER:	Erich Hackney, Precinct 8
SECONDER:	John Robinson, Precinct 2
AYES:	Metzger, Robinson, Wilkins, Ivey, Cantey Jr., Maynor, Hackney
ABSTAIN:	Pennington
ABSENT:	Jones

9. Approve the designation of 850.00 of CRF in Precinct 5 - John Cantey Jr., Precinct 5
   Councilman Cantey requests $450.00 of CRF be given to Duncan J. Whitted #80 and $400.00 to King Saul #6 for summer youth programs.
   Designate $850.00 in Precinct 5 for Summer Youth Programs.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	John Robinson, Precinct 2
SECONDER:	Don Metzger, Mayor Pro Tem
AYES:	Pennington, Metzger, Robinson, Wilkins, Ivey, Cantey Jr., Maynor, Hackney
ABSENT:	Jones

10. Approve the designation of $200.00 for Summer Youth Programs in Precinct 6 - Robert Jones, Precinct 6
    Councilman Jones requests that $200.00 of CRF be given to Breath of Life Ministries, Inc., for summer youth programs.
    Designate $200.00 of CRF to the summer youth programs.

RESULT:	**APPROVED [7 TO 0]**
MOVER:	Erich Hackney, Precinct 8
SECONDER:	John Robinson, Precinct 2
AYES:	Metzger, Robinson, Wilkins, Ivey, Cantey Jr., Maynor, Hackney
ABSTAIN:	Pennington
ABSENT:	Jones

11. Approve the designation of $300.00 of CRF to Sandy Grove Summer Academy in Precinct 6 - Robert Jones, Precinct 6

Councilman Jones is requesting $300.00 of CRF to be given to Sandy Grove Summer Academy.
Designate $300.00 to Sandy Grove.

P5 - $200.00 P2 - $200.00 P4 - $200.00

RESULT:	**APPROVED [7 TO 0]**
MOVER:	Erich Hackney, Precinct 8
SECONDER:	Don Metzger, Mayor Pro Tem
AYES:	Metzger, Robinson, Wilkins, Ivey, Cantey Jr., Maynor, Hackney
ABSTAIN:	Pennington
ABSENT:	Jones

12. Approve the designation of $250.00 of CRF to Iglesia Del Dios Vivo in Precinct 8 - Erich Hackney, Precinct 8
This Church is located on Carthage Road and they initially built a car porch shelter that extended past the City's right-of-way. On June 17, 2014, the Church asked for a Variance which was granted. Councilman Hackney is asking to reimburse the Church for the application fee.
Designate $250.00 of CRF to Iglesia Del Dios Vivo.

RESULT:	**APPROVED [7 TO 0]**
MOVER:	John Cantey Jr., Precinct 5
SECONDER:	Don Metzger, Mayor Pro Tem
AYES:	Metzger, Robinson, Wilkins, Ivey, Cantey Jr., Maynor, Hackney
ABSTAIN:	Pennington
ABSENT:	Jones

13. Closed Session: To consult with the City Attorney and to discuss possible ligitation.

Councilman Hackney made a motion, seconded by Councilman Metzger, entering into closed session. It carried unanimously.