

MINUTES OF RETREAT OF THE  
CITY COUNCIL OF THE CITY OF SANFORD  
SANFORD, NORTH CAROLINA

The City Council held a retreat at the Mid Pines Inn and Golf Club, located at 1010 Midland Road, Southern Pines, North Carolina, on Thursday, March 9, 2018, beginning at 1 P.M. in the Conference Center. The following people were present:

Mayor T. Chet Mann	Council Member James Williams
Mayor Pro Tem Rebecca Wyhof Salmon	Council Member Byron Buckels
Council Member Jimmy Haire	Council Member Norman Charles Post III
Council Member Charles Taylor	Council Member Sam Gaskins
City Clerk Bonnie Davis	City Attorney Susan Patterson
City Manager Hal Hegwer	

Mayor Mann reconvened the meeting at 8:00 A.M, from Thursday, March 8, 2018.

City Clerk Bonnie Davis gave a recap (Exhibit A) of items discussed and decided upon on Thursday, March 8, 2018.

System Development Fees – (Exhibit B)

Public Works Director Vic Czar gave an update on the system development fees developed by Joe Crea with Raftelis. These fees fund costs of water/wastewater improvements. The City already has capacity for connection and there are different ways to go about it and determine the fee. Upon the recommendations of the consultant and given the condition the City's finances are in, the most appropriate method to use was the buy-in method. With the buy-in method, the existing rate payers have paid for the infrastructure over time and the City has an opportunity to get back some of the investment in our system, from the people who are taking advantage of the investment, at the time they connect. There is some restriction to it but essentially, we would put it back into capital. Mr. Czar explained the procedures to establish the fee and how the cost is calculated as listed in Exhibit B. We have some subdivisions already approved and when they did there was no fee. Council may want to consider implementing a plan for fees with development/subdivisions already underway. This plan would apply to everyone. Mr. Czar added that we do not need to decide on the amount of fee now but you do have to go through the public process of what's calculated and then you can adjust down.

Mayor Mann said Sanford should not leave itself out and felt Council needs to come to some conclusion as to how to get back some additional revenue stream. He felt the City should implement this program and we need to be proactive. Mayor Pro Tem Salmon said we need this money to be able to keep our system as good as we can.

Mr. Czar added that they had a list of surrounding counties/municipalities and what they charge; however, they took it out because a lot of it can change, based on the new way you have to calculate the rate. There is a time frame or new constraints of the law. You do not need to set the fee right now but some of the people who have fees, will have new fees shortly. We need to look around to see if the fees are higher or lower for entities surrounding us.

Council Member Taylor noted that in the budget process, we need to look at all the fees assessed and see if our expenses are being covered by our fees. He felt that they should at least cover the expense of what we are incurring.

Mr. Hegwer added that regarding sanitation fees, the City charges \$225 per lot, whether someone lives in a home or whether it is a vacant home and boarded up. There is still the availability of having access to use bulk trash or not at that property. If you add a fee to these properties, it would get the owner's attention and hopefully, they would do something with the property.

Moncure & Raleigh Exec Airport Sewer Extension – (Exhibit C)

Charles Archer, with Freese and Nichols is the Engineering Firm, who is helping staff through this project and gave an update on the Moncure Megasite project. He displayed the force main designed to provide sanitary sewer to the Moncure Site and back to the City's system. It is about 14 miles from Megasite to the Business Park. It is a force main so there will be a pump station built on the Arauco property in Moncure. A horizontal drill will be done under both the Deep River and the Haw River (about 85 feet below ground for about 2,000 LF). They have designed the line to run parallel to the Duke Energy transmission line; they did it because it is straight and it is less impact on the properties. Duke Energy is allowing the City to use 10 feet of their right-of-way for the easement; we are having to acquire an additional 10 feet from the adjacent property owners but it is already cleared and level, so construction should be more economical. He informed Council of how the sanitary sewer would run, detailing the lift stations locations, etc. It entails 14 miles of line, two pump stations, six railroad crossings (CSX and Norfolk Southern). The design of this project is complete and permits have been issued by the NC Department of Environmental Quality for authorization to construct. We have permits from both railroad companies. We are still waiting on the Erosion and Sedimentation Control permit but we are expecting it any time. TELEX, who is the right-of-way acquisition company, is acquiring the easements along the 14 miles.

The design of this line in the beginning of this project was to be able to serve the Raleigh Exec/Jetport with sewer. There are sixty-one different parcels affected by the line with 45 different property owners; some property owners own multiple parcels. As far as the timeline, they hope to advertise construction bids beginning the week of May 14; open bids the week of June 11; contractors who bid on this project will have to hold bid prices for 90 days. They hope to bring a recommendation to Council at its second meeting in August to award the contract and notice to proceed by September 1. It is estimated to be completed in fifteen months to build; it will be bid in three to four different contracts. As Council recalls, The Golden Leaf Foundation has a \$4 million grant in this project; the cost of the project is estimated at \$10.5 million.

Mr. Archer advised that a gravity sewer line will be extended to the Jetport property; it will be bored under the runway and taxiways and will dead-end in a manhole on the backside of the property adjacent to the railroad tracks. This will serve the Jetport property and development on that site property, as well as, serve the approximately 401 acres that the Lee County Economic Development is already marketing. It is being designed to serve that entire area. The City has applied for a Golden Leaf grant in the amount of \$1.5 million. The Golden Leaf board is meeting on April 5 and will announce whether the awards were made that day. The estimate for this project

is \$2,028,000. The grant will require a 25 percent match. The County and City will split the 25 percent match.

Mr. Czar advised that providing gravity sewer to the Moncure Megasite and the airport are for job creation. The 401 acres in that area is going to provide some challenges in the future. Community Development Director Marshall Downey advised that the sewer to the airport is going to cause some problems because developers will be coming to Council requesting to tap into the sewer. We need to keep the project closer to the City Limits; take advantage of the existing infrastructure where it can grow more naturally out; the City Council has the decision to control the sewer. Mr. Downey stated that we will need to be make the area around the airport restrictive.

Mr. Hegwer stated that the airport is working on a Master Plan with the Community Development Department's staff. Mr. Downey added that you will have very low density around the airport with the Master Plan; a zoning tool will be in place. Mr. Hegwer stated that the zoning around the airport now is not something that is going to create a lot of density because you do not have sewer.

#### Closed Session

Mayor Pro Tem Salmon made the motion to go into accordance with N.C.G.S.143-318.11(a) (3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege; and (4) to discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body. Council Member Post seconded the motion. Upon request of City Manager Hal Hegwer, Mayor Pro Tem Wyhof Salmon and Council Member Post amended their motion to include (5) to establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating the price and other material terms of a contract or proposed contract for the acquisition of real property. The motion carried unanimously.

#### Return to Regular Session and Wrap Up Priorities – (Exhibits D & E)

Mayor Mann asked Council to review the spreadsheet provided by Ms. Marosites and asked if there was any other information they would like to discuss. Several comments were made and clarified:

1. Mr. Downey stated that the UDO consultant and new zoning staff employee (not code enforcement) would be a split cost with Lee County.
2. Mr. Post asked that the Fire Department be informed that a new fire station is important, and the only reason we are not doing it is because we cannot afford it. Mr. Hegwer clarified that we would continue to try and pursue land for a station.
3. Staff needs to research and come up with some type of format to handle and staff the Kiwanis Family Park.
4. Mr. Hegwer asked about the possibility of moving forward with the parks and maybe waiting on the greenway or moving both projects forward together because you have the ability of taking items out of one project and put into the other as they are related.

You have \$6 million in greenway bonds and \$2 million in parks bonds. Mrs. Kelly advised that we can front some of the money for the parks and delay the greenway to push out with the bond payment – which is \$500,000. We have to have some type of revenue source for the payment. You cannot use the vehicle fee for the debt payment - that could be used for street resurfacing. Mrs. Kelly explained the method by which you can borrow from the Utility Fund for a short term (12 months) and pay it back with an interest rate (market rate); this is only temporary. You have to have something officially documented for it. You will still have the debt payment for twenty years of \$500,000. We need growth in ad valorem; we are at the mercy of Lee County for sales tax.

5. Discussion has been held with Lee County noting that something needs to be done for soccer.
6. Mr. Taylor noted that you could possibly pursue/add some elements to the Horton Park for the kids who ride their bikes.
7. Mr. Buckels commented that discussion needs to be held regarding traffic at the W. B. Wicker School from Washington Avenue, to Pearl Street, Wall Street, Dudley Street and coming off of Horner Boulevard.
8. Mr. Post added that an informal meeting was held regarding an Opioid Task Force. The County has agreed to take the lead and hold a public forum in April. He said people think that violent crime is our biggest problem in Sanford but it is the opioid epidemic. You can use alcohol sales funds for substance abuse education. The ABC Board is working behind the scenes with the school system to implement an Opioid Substance Education class in the middle schools to go along with the alcohol abuse class.
9. Mr. Buckels displayed a presentation of how the Depot Building could be renovated for tourism. Council discussed forming a committee to discuss the renovation of the Depot Building.
10. Mr. Haire asked if the vehicle tax could be implemented on July 1, 2018. Mrs. Kelly replied yes and suggested designating (of whatever amount is decided upon) \$5 toward capital and the balance to street resurfacing.

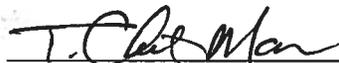
Mayor Mann announced that Council's workshop Tuesday night on March 13, 2018, will be held at the Temple Theatre for a tour of the parking lot and the facility.

Adjournment

Council Member Charles Taylor made the motion to adjourn the meeting. Seconded by Mayor Pro Tem Salmon, the motion carried unanimously.

**ALL EXHIBITS CONTAINED HEREIN ARE HEREBY INCORPORATED BY REFERENCE AND MADE A PART OF THESE MINUTES.**

Respectfully Submitted,

  
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T. CHET MANN, MAYOR

ATTEST:

  
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BONNIE DAVIS, CITY CLERK