

**MINUTES OF
ELECTRONIC MEETING -
CITY COUNCIL OF THE CITY OF SANFORD
SANFORD, NORTH CAROLINA**

The City Council met remotely through electronic connections (Office Suite HD software) on Tuesday, April 7, 2020, at 6 p.m., with the Mayor presiding from the Council Chambers of the Sanford Municipal Center, 225 E. Weatherspoon Street. The following people were connected (“present”) and participated remotely in the meeting:

Mayor T. Chet Mann
Council Member Sam Gaskins
Council Member Charles Taylor
Council Member Rebecca Wyhof Salmon
City Manager Hal Hegwer
Deputy City Clerk Vicki Cannady

Mayor Pro Tem Byron Buckels
Council Member Jimmy Haire
Council Member Norman Charles Post, III
Council Member James Williams
City Attorney Susan Patterson

Absent:
City Clerk Bonnie Davis

CALL TO ORDER

Mayor Mann called the meeting to order and noted that history is being made with this being the City’s first electronic meeting. Council members were all connected and citizens were provided information prior to the meeting on how to join the meeting, which was recorded for viewing later. Since Lee County is currently under a State of Emergency due to the COVID-19 pandemic, a resolution will adopt rules of procedure for electronic meetings.

Resolution Adopting Rules of Procedure for Electronic Meetings During a State of Emergency – City of Sanford (Exhibit A)

City Attorney Susan Patterson summarized the rules of procedure by explaining that it may not be feasible, possible or practical for Council to meet in person during declared states of emergency, whether state or local, and the proposed resolution establishes rules for electronic meetings through an electronic or teleconferencing platform. She reviewed the rules as set forth on the attached Exhibit A and explained that they would also apply for advisory boards.

Council Member Gaskins made a motion to approve the Resolution Adopting Rules of Procedure for Electronic Meetings During a State of Emergency – City of Sanford. Seconded by Council Member Taylor, the motion carried unanimously (through roll call vote).

Mayor Pro Tem Buckels led the invocation and the Pledge of Allegiance was recited.

PUBLIC COMMENT (Exhibit B)

There were no requests for public comment. *NOTE: The Notice of Electronic Meeting (attached hereto as Exhibit B) directed that anyone who wanted to make a public comment at this meeting should email or contact Deputy City Clerk Vicki Cannady and the comments would be read aloud during the meeting; however, no requests were received.*

APPROVAL OF AGENDA

Council Member Taylor made the motion to approve the agenda. Seconded by Council Member Gaskins, the motion carried unanimously (through roll call vote).

CONSENT AGENDA

There were no items on the consent agenda.

SPECIAL AGENDA

There were no items on the special agenda.

CASES FOR PUBLIC HEARING

There were no cases for public hearing.

DECISIONS ON PUBLIC HEARINGS

There were no decisions on public hearings.

REGULAR AGENDA

There were no items on the regular agenda.

NEW BUSINESS

Ordinance Amending Annual Operating Budget FY 19-20 – Police Vehicle Replacement (Exhibit C)

Financial Services Director Beth Kelly, via electronic connection, explained that this ordinance appropriates insurance proceeds of \$27,300 to replace a vehicle that was a total loss.

Council Member Williams made a motion to approve the Ordinance Amending Annual Operating Budget FY 19-20 – Police Vehicle Replacement. The motion was seconded by Council Member Post.

Council Member Taylor questioned whether the vehicle could be purchased to use any parts or equipment that could be salvaged. Mrs. Kelly explained that since the vehicle was a total loss, the insurance company did not offer that option for this claim.

Mayor Mann called for a vote and the motion carried unanimously (through roll call vote).

Discussion Regarding Request from 2018 Urgent Repair Housing Rehabilitation Program Client and Related Promissory Note (Exhibit D)

City Attorney Susan Patterson explained that our Urgent Repair Program (“URP”) allows the Community Development Department to make repairs to residents’ homes; repairs average approximately \$5,000 for each home. One program participant is experiencing declining health and will be moving in with a family member and selling the home. Participants execute an unsecured promissory note to the City for the amount expended by the City and \$1,000 is forgiven annually on the note’s anniversary date. The Housing Finance Agency gives Council discretion to determine whether to recoup the balance owed when participants move out of the house or when the house is sold or to waive this repayment requirement. Funds that are repaid go into a fund for future community development activities established by federal housing programs. The participant’s property was improved in December 2019, in the amount of \$6,195 and a request has been made to waive the repayment requirement.

Council Member Williams made a motion to approve this request and the motion was seconded by Mayor Pro Tem Buckels. Attorney Patterson requested clarification as to whether the motion was to approve the request to waive repayment or to approve the repayment requirement. Mr. Williams withdrew his motion until additional information is received. Council Member Salmon questioned whether this issue has been addressed previously and if so, how it was addressed. Attorney Patterson explained that she was unaware of a similar situation and noted that since the note was unsecured, staff would not have known about plans to sell the house had the participant's family not notified staff (since no Deed of Trust is recorded). Council Member Taylor expressed concern about setting a precedent if repayment is waived, particularly if that were to jeopardize this successful program and questioned whether a lien could be placed on the house to cover the outstanding balance if it is sold. Attorney Patterson explained that is not an option since the note was originally unsecured and stated that she could not provide details about the property owner due to privacy issues.

Council Member Gaskins noted that since Mr. Williams withdrew his motion, there was no motion on the floor and then made a motion that the request to waive repayment be denied, which was seconded by Council Member Taylor. Mr. Gaskins noted that the purpose of the URP grant program is to help people remain in their homes and since these funds were used to repair and improve the home, waiving repayment when the homeowner leaves the home would be counterintuitive and against the program's purpose. Mr. Taylor agreed that the program's integrity should be protected to ensure it remains intact. Attorney Patterson reminded Council that the homeowner is leaving the home to move in with relatives only because of health issues.

Community Development Manager Karen Kennedy (connected through telephone) explained that a family member of the homeowner requested that the repayment requirement be waived due to her mother's health. She explained that \$1,000 of the balance would be forgiven annually on the anniversary date of the note (August 14 in this case) until the principal balance is reduced to zero and program participants are informed that these funds must be repaid when the notes are executed, whether secured or unsecured. Mayor Pro Tem Buckels requested confirmation that payback is due only upon sale of the home. Ms. Kennedy confirmed this is an event of default and Mann suggested this is because homeowners typically have equity in their property and that would be used to pay the balance when the home is sold. Mr. Buckels expressed concern as to whether the homeowner would have adequate equity to pay the balance or whether it would create a hardship. Ms. Kennedy stated that family members have become residents of the properties in the past (depending in eligibility and income verification) with a lower payback requirement, but family members are not interested in residing in the property in this case and they would like to sell the property in the next three to five months. She also stated that decisions similar to this have been made by Council in the past. Mr. Buckels noted that this situation was created by sickness and agreed the funds should be repaid unless it would create a hardship for the homeowner. Mr. Buckels questioned whether the repayment requirement could be waived only if funds are not available from sales proceeds. Council Member Gaskins suggested the participant or a representative come before Council if repayment is in fact found to be a hardship. Council Member Haire questioned whether a compromise could be made, with the homeowner repaying 50 percent of the outstanding balance when the property is sold and Council waiving the remaining 50 percent. Ms. Kennedy suggested that Council is bound by program restraints as set forth in the promissory note but conceded the decision is in Council's discretion.

Mayor Pro Tem Buckels requested confirmation that the current motion requires repayment of the outstanding balance unless it is proven that repayment would present a hardship, at which time the balance would be forgiven when the property is sold. Mr. Gaskins suggested that would be a motion to reconsider and anyone voting in favor of the current motion would be able to make a motion

to reconsider. Attorney Patterson explained that the two items constituting default under the note are sale of the property or if the property ceases to be occupied by the borrower as their principal residence. Council Member Taylor questioned whether this issue could be tabled until a sale is pending. Attorney Patterson confirmed it could be tabled but since the note is unsecured, there is no guarantee we will be informed when a sale is pending (since the loan is not secured by a recorded Deed of Trust) and suggested that the family needs to know now whether Council will waive or require repayment. Mr. Taylor noted that recognizing whether repayment is a hardship won't occur until there is a sale, and if the participant has equity and receives funds from the sale, it is not a hardship. Attorney Patterson suggested that Council can't wait until sales proceeds are available to determine whether repayment is required. Mayor Mann suggested the request is being presented now because they anticipate a hardship. Mr. Gaskins suggested there will be adequate time after the homeowner accepts an offer to purchase the home and it is appraised to determine its value, so they will know whether funds would be available to repay the note balance and allow time to request a repayment waiver from Council.

Council Member Taylor called the question and Mayor Mann called for a vote on the motion to deny the repayment waiver. Votes cast in favor of the motion were made by Council Members Gaskins, Haire, Post, Salmon, Taylor and Williams; Council Member Buckels, citing concern about a potential hardship, voted against the motion, which carried by a vote of six to one.

Health Insurance Renewal for Plan Year 2020-2021 (Exhibit E)

City Manager Hal Hegwer explained that staff has been advised to increase funding for the City's self-insured health insurance plan premium by seven percent or \$281,302 annually (\$214,586 from the General Fund, \$66,716 from the Utility Fund). This premium includes several incentive programs currently in place for hypertension, obesity and diabetes, and would be solely paid for by the City with no cost increases for employees (co-pays or out-of-pocket expenses). He stated that typical increases average approximately nine to ten percent annually and explained that a decision is needed at this time in order to allow employees adequate time to make plan changes before renewal.

Council Member Gaskins made a motion to approve a funding increase of seven percent to the City's health insurance plan for FY 20-21. The motion was seconded by Council Member Post.

City Manager Hegwer confirmed that there would be no increase in premiums for employees covering spouses and/or dependents, nor for their co-pays or out-of-pocket expenses, and the increase would be borne by the City. Regarding retiree coverage, Council Member Taylor questioned at what point they are removed from the City's health insurance plan and given a Medicare supplement. Mr. Hegwer confirmed that qualified retirees (depending on years of service, etc.) are covered just like employees until they reach the age of 65, at which time they are moved to a supplement and there are no changes to the supplement.

Mayor Mann called for a vote on the motion to approve the funding increase, which carried unanimously (through roll call vote).

Discussion Regarding Planting of Cherry Trees at Municipal Center (Exhibit F)

City Manager Hal Hegwer reminded Council that he was approached by Dr. Larry O'Connell about planting cherry trees and Dr. O'Connell wants to eliminate any concerns about trees already planted along Main and Trade Streets in Jonesboro by paying the total cost of that planting (\$11,250), along with \$2,000 to plant additional trees at City Hall. The City would retain the services of a landscape architect to analyze the conceptual plan included in the attached exhibit.

Council Member Post made a motion to plant additional cherry trees at the Sanford Municipal Center and the vote was seconded by Council Member Haire.

Council Member Gaskins expressed dissatisfaction with trees planted previously in Jonesboro and expressed concern that Dr. O'Connell offered to pay for those small trees, which he previously offered to fund. Council Member Taylor stated that Dr. O'Connell offered to fund a planting program at N.C. State University to honor his wife and the landscape architect for N.C.S.U. advised him regarding which trees to plant. Mr. Taylor noted that at the October 8, 2019 Council meeting, Council was informed that the trees would be "whips" with some blooms the first year; pictures were provided and at no time was the median tree thickness discussed, so there should have been no expectation of larger, more expensive trees. He noted that the 156 trees planted downtown cost \$34,600 (an average of \$221.79 each) and many of them have been replaced. Based on information provided by the grower who brought them to Sanford, they were six-inch saplings less than a year ago and have grown about 1.5 feet since they were planted here. The trees planted by the Lutterloh building on Chatham Street were planted in May 2018 and May 2019 and they were similar to those currently in Jonesboro. He stressed that there was no misrepresentation that larger trees would be planted in holes that had electrical runs since that limits what can be planted; he also stated that many of the trees previously there were already dead. He also noted that he and Council Member Haire encouraged Dr. O'Connell to make his investment in Sanford rather than Raleigh. Mr. Taylor stated that on October 8, Council committed to spend up to \$15,000 (and the final cost was much lower), and suggested that Council honor its commitment. Council Member Haire stated that Dr. O'Connell wants to do this project in memory of his wife and suggested that the trees will flower magnificently.

Mayor Mann called for a vote on the motion to plant trees at the Municipal Center, which carried unanimously (by roll call), and thanked Dr. O'Connell for the donation.

OTHER BUSINESS

Council Member Buckels encouraged everyone to adhere to all rules related to the COVID-19 pandemic and to stay safe.

Council Member Gaskins noted that an article in today's edition of *The Sanford Herald* contained erroneous information indicating that water and sewer service would be suspended. The City has actually suspended *cutoffs* for water and sewer service, since water should not be an issue with hand-washing being one of the best ways to avoid spreading COVID-19.

Council Member Salmon encouraged everyone to stay safe and look after one another. If everyone maintains measures to contain spreading the virus, we will all be safer in the future.

Council Member Taylor thanked local businesses that are helping support first responders, including Coty: the plant modified its process to manufacture hand sanitizer, currently in short supply, that was distributed to local firemen, police officers and public works employees. Challenge Printing is making pharmaceutical labels and Mertec Solutions is creating a component with a 3-D printer for a product to help with the fight.

Council Member Williams stated that Pfizer is working with a British company to develop a vaccine against the coronavirus. He also noted that Lee County currently has only three cases and expressed pride that our citizens are adhering to safety precautions. Mayor Mann agreed that we are extremely fortunate to have a company such as Pfizer in our community.

Attorney Patterson stated that the legislature is scheduled to return to session on April 28, but that may change. The current deadline for drafting local bills is in early May and mid-May in the Senate, so she encouraged Council members to notify her if there are any local bills we want considered. Mayor Mann agreed that we need to inform our delegation now if we have any urgent needs since they will have several matters to address when they meet.

Regarding operational aspects, City Manager Hal Hegwer explained that a tremendous amount of time has been spent reacting to the COVID-19 pandemic but it is unlikely we will have any major reimbursable expenses other than employees' time. Staff continues to adhere to state and federal guidelines to ensure safety while providing essential services to the public; however, the public may begin to see some delays in bulk trash pickup and leaf/limb pickup since some procedures have been altered. Among staff, social distancing continues and work schedules are being modified. With more citizens at home, a great deal of material is being discarded and staff is doing their best to maintain pickup. He confirmed that all proper safeguards (gloves, masks, etc.) are available and laptops were ordered early. Communication with the county and emergency management has gone well and he expressed gratitude we don't have unmet needs as seen in other areas of the country. Very few concerns have been received from the public regarding problems with social distancing, other than those seen at some retail establishments. Staff communicated at great length with business representatives regarding safety precautions and all businesses contacted have implemented additional measures. He learned today that Governor Cooper will be implementing additional protocols for retail establishments to clarify guidelines and additional information will be monitored. He thanked Council for its support and Mayor Mann thanked Mr. Hegwer for his leadership.

Financial Services Director Beth Kelly reminded Council that the impact of COVID-19 on sales tax revenue won't be known for some time since that revenue is received several months in arrears. The League of Municipalities is trying to gather information to provide revenue projections to elected officials and finance departments, and they also issued a letter providing information to the House Select Committee regarding a request for funds through the federal pass-through. Although motor vehicle taxes could also be delayed, ad valorem property taxes (real and personal) have been collected through January, so no decrease in that revenue should be seen. We must also consider the impact lower occupancy tax revenue will have on the TDA budget. Webinars have been held with FEMA regarding which expenses may be reimbursed. The budget calendar has remained unchanged, although there has been some discussion at the state level about revising those dates, so staff is moving forward with plans to adopt the budget prior to July 1. Information is still being received from the state and the UNC School of Government on the federal act that provided 80 hours of paid leave for employees, as well as Executive Order 124 that required all customers to be notified that no account balances were waived, only late fees and disconnections were waived for 60 days (although Council halted disconnections and late fees prior to that order). It also required that customers be notified that six-month payment plans would be offered to pay balances from the first 60-day period and this information will be distributed through social media. Staff is also required to publish information to the Utility Commission weekly on the amount of late fees that would have been charged and the amount outstanding for every week billed (this requirement begins next week). She informed Council that three cycles have been billed since Council approved halting disconnections and late fees, and outstanding balances for each cycle has at least doubled compared to normal cycles; this information is being monitored. Signs outside City Hall (in English and Spanish) have been updated to clarify drop box information.

City Manager Hegwer explained that in order to minimize traffic at the Service Center, the public is not allowed to purchase compost or wood chips; they are being provided only through

delivery. He asked if there was consensus among Council to waive 50 percent of the delivery cost to help get the material out quicker and prevent an accumulation, particularly with so many residents at home at this time; the cost of the material would remain unchanged. Mayor Mann asked Council members to indicate by a show of hands whether they supported this suggestion and Mayor Mann confirmed there was consensus to waive 50 percent of the delivery fee for compost and wood chips.

Mayor Mann thanked City staff for their work behind the scenes during the COVID-19 pandemic, particularly those who are exposing themselves daily to keep the City moving forward. He remains in communication with Central Carolina Hospital, where they are equipped and have no problem with capacity, particularly with the cancellation of all elective surgery. Scientists have warned that we can expect the worst in the next two weeks. While our community has done a great job observing suggested protocols, including social distancing, he implored the public to heed advice not to gather in large groups, since people may not be aware they may have been exposed to or infected by the virus. He urged everyone to avoid any activity outside our homes other than truly essential activities so Sanford can continue to have a low number of COVID-19 cases. Police have spoken with several large retailers in the City who want to be compliant, but we also have a personal responsibility to stay home if possible until precautions are lifted and do what is necessary to save lives and our economy. Economic development activities continue, as SAGA is busy with businesses considering Sanford, and the Technical Review Committee calendar remains full as staff continues working though information. He noted that there will be difficult decisions on budget planning and the budget will likely be quite different than what was discussed at the Council retreat, depending on how long the crisis continues. He expressed hope that the recovery will not be prolonged and people will be able to gather as we did before the virus. He thanked everyone for their patience with this first electronic meeting and explained there will be discussions about meetings in the near future and the need for public participation, so it may be necessary to hold more meetings electronically. He encouraged everyone to be safe, smart, and patient in order to remain healthy, to continue acts of kindness and remember why Easter will be celebrated next weekend.

ADJOURNMENT

Council Member Gaskins made the motion to adjourn the meeting; seconded by Council Member Taylor, the motion carried unanimously.

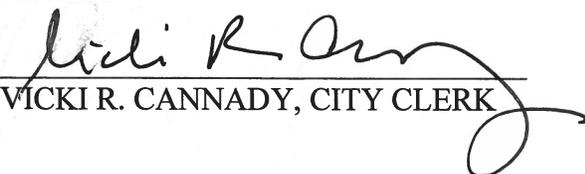
ALL EXHIBITS CONTAINED HEREIN ARE HEREBY INCORPORATED BY REFERENCE AND MADE A PART OF THESE MINUTES.

Respectfully Submitted,



T. CHET MANN, MAYOR

ATTEST:



VICKI R. CANNADY, CITY CLERK