

**MINUTES OF SPECIAL MEETING OF THE
CITY COUNCIL OF THE CITY OF SANFORD
SANFORD, NORTH CAROLINA**

The City Council met on Tuesday, June 2, 2020, at 6:00 in the Assembly Room of the Public Works Service Center, 601 N. Fifth Street, Sanford. The following people were present:

Mayor T. Chet Mann
Council Member Sam Gaskins
Council Member James Williams
Council Member Rebecca Wyhof Salmon
City Attorney Susan Patterson
Management Analyst Holly Marosites

Mayor Pro Tem Byron Buckels
Council Member Jimmy Haire
Council Member Norman Charles Post, III
City Manager Hal Hegwer
Deputy City Clerk Vicki Cannady

Absent:
Council Member Charles Taylor

CALL TO ORDER

Mayor Mann called the meeting to order. He noted that in the wake of recent protests, riots and the COVID-19 pandemic, our country was hurting and Council will likely be asked to help find solutions to bring our community together. He asked for a moment of silence, after which the Pledge of Allegiance was recited.

PUBLIC COMMENT

There were no requests for public comment.

APPROVAL OF AGENDA

City Manager Hegwer requested that Item 11-L under New Business (“Discussion of Potential Alliance between City of Sanford and Town of Pittsboro Regarding Utilities”) be removed from the agenda. Council Member Gaskins made the motion to approve the agenda as amended. Seconded by Mayor Pro Tem Buckels, the motion carried unanimously.

CONSENT AGENDA

There were no items on the consent agenda.

SPECIAL AGENDA

There were no items on the special agenda.

CASES FOR PUBLIC HEARING

Public Hearing on Proposed Annual Operating Budget for the City of Sanford for Fiscal Year 2020-2021

Financial Services Director Beth Kelly explained that the budget ordinance includes two minor changes as discussed in the prior Budget Work Session: funding the golf cart shed replacement and increasing the sanitation fee by \$20 per household (shown on the attached Exhibit A-1).

Mayor Mann opened the public hearing. With no speakers, he closed the public hearing.

- Annual Budget Ordinance for the City of Sanford Fiscal Year 2020-2021 – Exhibit A
Council Member Gaskins made a motion to approve the Annual Budget Ordinance for the City of Sanford Fiscal Year 2020-2021 as revised with changes shown on Exhibit A-1, with direction to revisit the revenue situation no later than the first Council meeting in November in order to determine whether merit raises, cost-of-living or salary adjustments can be given to employees. The motion was seconded by Council Member Salmon and carried by a vote of five to one; Council Member Williams cast the dissenting vote.

Mayor Mann thanked the City Manager and staff, noting that this budget was unlike any other (done during the COVID-19 pandemic). He explained that Council wants to revisit the budget throughout the year as revenue information is received. He also commented that Council took conservative action to ensure that the City was not committed without knowing what lies ahead (a potential recurrence of the virus that could further affect revenue). As soon as revenue information is received, budget amendments may be considered. Mr. Gaskins also noted that some state and/or federal assistance may be available.

DECISIONS ON PUBLIC HEARINGS

There were no decisions on public hearings.

REGULAR AGENDA

Replacement of Memorandum of Understanding (“MOU”) to Correct Parcel – re: Economic Development Project through the Lease of a Newly Constructed Spec Building at Central Carolina Enterprise Park – Exhibit B

City Attorney Susan Patterson explained that a public hearing was held on May 19, at which time a Memorandum of Understanding was approved between the City, Lee County, CC Enterprise Park, LLC, the Sanford Area Growth Alliance (“SAGA”), and Samet Properties to construct a second shell building at Central Carolina Enterprise Park. At the time, we were under the impression that the building would be constructed on Lot 2, which is adjacent to Lot 1, the lot on which the first shell building was constructed (subsequently purchased by Audentes Therapeutics); however, it will actually be constructed on Lot 3. She also explained that because the public hearing notice included only information on the MOU and authorization of the lease and did not include the specific lot number, the only action needed is to replace the prior MOU with the current document that includes a different parcel number and metes and bounds description.

Council Member Post made a motion to approve the Replacement Memorandum of Understanding to Correct Parcel re: Economic Development Project through the Lease of a Newly Constructed Spec Building at Central Carolina Enterprise Park. The motion was seconded by Council Member Gaskins. City Manager Hegwer confirmed that there were no changes to the terms of the agreement. SAGA Economic Development Director Bob Joyce explained that the lot was changed because other parties are interested in other lots and the developer was willing to change the lot. The vote on the proposed motion carried unanimously.

NEW BUSINESS

Inmate Labor Agreement with North Carolina Department of Corrections, Division of Prisons for FY 2020-2021 – Exhibit C

Facilities/Beautification Administrator Kris Furmage explained that this program has been beneficial for the City, Department of Corrections and participating inmates. Due to COVID-19, staff

has not been able to utilize this program and this has had a negative impact on several areas, particularly litter retrieval but it can hopefully be resumed in the near future. The City is contracted for eight inmates and the problem with increasing that number is the stringent supervision requirements and transportation issues. Public Works Director Vic Czar confirmed that we are already using the maximum number allowed. Manager Hegwer stated that he and staff will be grateful for the inmates to return and noted that we depend on the great service they provide while they gain work skills. Mayor Pro Tem Buckels commented that workers with whom he has spoken appreciate opportunities provided by the program, but he would like to see the pay scale increased. Mr. Furnage explained that he asked Corrections staff about pay and was told it would remain as set by the state.

Council Member Gaskins made a motion to renew the Inmate Labor Agreement with the North Carolina Department of Corrections, Division of Prisons for FY 2020-2021. Seconded by Council Member Salmon, the motion carried unanimously.

Project Ordinance for East Sanford CDBG-Infrastructure Project– Exhibit D
Grant Contract with N.C. Department of Environmental Quality, Division of Water Infrastructure for East Sanford CDBG-Infrastructure Project – Exhibit E

City Engineer Paul Weeks explained that the two items above were related and would be addressed together with separate action required for each. He reminded Council that the City received a \$2 million grant to rehabilitate sewer lines in East Sanford. The contract documents the competitive Community Development Block Grant program and once it is received, another cannot be acquired for three years. The grants are targeted for use in areas with low- to moderate-income individuals and the attached map shows areas where work will occur: red indicates lines that will be rehabilitated and green indicates lines that will be rehabilitated only if funds remain. No contribution is required by the City for this project but additional work can be done if we desire.

Mayor Pro Tem Buckels questioned how high-priority sewer lines in other areas such as Crest Street and the West Sanford area would be addressed. Mr. Weeks explained that as part of the City's Sewer Asset Management Plan ("AMP"), a five-year rehabilitation plan was developed for five separate projects and East Sanford is the first of these projects. Project Four would address the Crest Place area and other areas will be addressed as funds are available. While CDBG funds can be used only in qualifying areas, other areas do remain on our schedule based on their high AMP scores. He explained that the AMO graded all of the City's sewer lines and assets in order to prioritize them and also noted that as time progresses, assets continue to deteriorate so they should also be addressed before they become a major expense.

- Project Ordinance for East Sanford CBG-Infrastructure Project
Council Member Salmon made a motion to approve the Project Ordinance for East Sanford CDBG-Infrastructure Project. Seconded by Council Member Gaskins, the motion carried unanimously.
- Grant Contract with N.C. Department of Environmental Quality, Division of Water Infrastructure for East Sanford CDBG-Infrastructure Project.
Council Member Gaskins made a motion to approve the Grant Contract with N.C. Department of Environmental Quality, Division of Water Infrastructure for East Sanford CDBG-Infrastructure Project. Seconded by Council Member Salmon, the motion carried unanimously.

Reimbursement Resolution – Big Buffalo Water Reclamation Facility Flood Rehabilitation – Project No. S1901 – Exhibit F

Ordinance Amending Annual Operating Budget FY 2019-2020 – Contribution to Project No. S1901 – Exhibit G

Capital Project Ordinance Amendment – Big Buffalo Water Reclamation Facility Flood Rehabilitation Project S1901 – Exhibit H

Award of Construction Contract for Big Buffalo Water Reclamation Facility Flood Rehabilitation Project – Exhibit I

City Engineer Paul Weeks explained that the four items above were related and would be addressed together, with action taken by Council separately on each. He reminded Council that in 2018, Hurricane Florence flooded the Big Buffalo Wastewater Treatment influent pump station. Three bids were received on the repair project and were opened on April 30, with Shook Construction being the apparent low bidder with a bid of \$3,350,000. They have very good references and Hazen and Sawyer (the engineering group working with staff on this project) has worked with them before. They confirmed Shook does good work and they are partnering with them on a design-build project. They have asked when they can begin work and are excited to start. He reminded Council that this project is reimbursable by FEMA but we won't know what is reimbursable until the end of the project. Up to this point, FEMA has indicated that we are eligible for full reimbursement, with 75 percent coming from FEMA and 25 percent from the State of North Carolina.

Mr. Weeks explained that the reimbursement resolution allows the City to be reimbursed in the event a loan is required for any work not covered by FEMA. The budget ordinance and project ordinance establish and moves funds for the project, including a contingency of \$140,000 (about three percent of the construction cost).

Public Works Director Vic Czar explained that the influent station was designed to withstand being inundated with rain and the facility was in fact operational throughout Hurricane Florence. While the equipment it is designed to operate underwater, it will fail sooner if inundated. He stressed that regardless of whether we received FEMA reimbursement, this work needs to be done and is only restoring the facility to its condition prior to the hurricane.

- Council Member Post made a motion to approve the Reimbursement Resolution – Big Buffalo Water Reclamation Facility Flood Rehabilitation – Project No. S1901. The motion was seconded by Council Member Gaskins.

Council Member Salmon questioned the timing of FEMA reimbursement. Management Analyst Holly Marosites explained it is not a quick process but expenses can be submitted incrementally. Mr. Czar stated that it is likely that staff will need to deal with FEMA several times before the process is complete and all funds received, which may take a couple of years. Financial Services Director Beth Kelly reminded Council that 25 percent of the reimbursement comes from the State and those funds are typically received after FEMA funds; it may very well take 24 months. She also noted that uncertainties associated with the COVID-19 pandemic will likely complicate state and federal budgets and slow the process.

A vote was taken on the motion which carried unanimously.

- Council Member Gaskins made a motion to approve the Ordinance Amending the Annual Operating Budget FY 2019-2020 – Contribution to Project No. S1901. Infrastructure for East Sanford CDBG-Infrastructure Project. Seconded by Mayor Pro Tem Buckels, the motion carried unanimously.
- Council Member Gaskins made a motion to approve the Capital Project Ordinance Amendment – Big Buffalo Water Reclamation Facility Flood Rehabilitation Project No. S1901. Seconded by Council Member Salmon, the motion carried unanimously.
- Council Member Gaskins made a motion to Award the Construction Contract for Big Buffalo Water Reclamation Facility Flood Rehabilitation Project to Shook Construction. Seconded by Mayor Pro Tem Buckels, the motion carried unanimously.

Reimbursement Resolution – Project Forge Site Preparation/Roadway – Exhibit J
Ordinance Amending Annual Operating Budget FY 2019-2020 – Contribution to Project Forge Site Preparation/Roadway – Exhibit K
Grant Project Ordinance Amendment – Exhibit L

Financial Services Director Beth Kelly explained that the above three items are related and would be addressed together with separate action required for each. The reimbursement resolution allows the City to be reimbursed if debt is issued for the project. The budget amendment appropriates Fund Balance to complete Project Forge site preparation and roadway, and the grant project ordinance appropriates funds from the General Fund for the project, as discussed previously in the work session regarding the shortage.

City Engineer Paul Weeks explained that these actions will cover all foreseen Project Forge site preparation and roadway expenses that would come from the General Fund. At Council's next meeting, staff will request approval of a guaranteed maximum price agreement that will be covered by these items, as well as an impending change order on site developments. The Contractor had to excavate quite a bit more soil than expected and that was not included in their bid. We are expected to pay a reasonable and appropriate amount and these funds would help cover that expense as well. Manager Hegwer confirmed that these items will complete the City's portion of the project. Council Member Salmon questioned whether any of DOT's financial challenges would impact their agreement to pay for the road and Mr. Weeks responded that he has not heard this but he last received information in January (pre-COVID pandemic).

- Council Member Gaskins made a motion to approve the Reimbursement Resolution – Project Forge Site Preparation/Roadway. Seconded by Council Member Post, the motion carried unanimously.
- Council Member Gaskins made a motion to approve the Ordinance Amending the Annual Operating Budget FY 2019-2020-Contribution to Project Forge Site Preparation/Roadway. Seconded by Council Member Post, the motion carried unanimously.
- Council Member Gaskins made a motion to approve the Grant Project Ordinance Amendment. Seconded by Council Member Post, the motion carried unanimously.

Payment Plan Policy – Exhibit M

Financial Services Director Beth Kelly explained that the payment plan policy was written based on Governor Cooper’s Executive Order 124 but on Saturday, May 30 (after this meeting agenda was posted and distributed), Executive Order 142 was issued, extending the date through which utilities may not be disconnected another 60 days – through July 29 - and added other items. The final policy will be presented to Council before August 1 (when the policy would become effective) with revised dates.

Governor Cooper’s most recent order requires that we notify all customers through all means normally used (text, email, letter, etc.) that the date through which accounts cannot be disconnected has been extended another 60 days. The policy approved by Council allows residential and commercial customers 30 days to establish a payment plan, even though the Executive Order applies to residential accounts only. They recommend leaving the policy unchanged, providing customers with six months to pay outstanding amounts less than \$500 and nine months to pay amounts over \$500. As explained in last week’s work session, once customers choose their payment plan due date, a payment reminder is sent via their preferred method (text, email, etc.), along with a disconnection notice if payment is not received. Customers can apply for assistance through the “Sanford Cares” program but the plan administrator (Johnston-Lee-Harnett Community Action) has a stipulation that customers can apply for assistance only once in twelve months. Council Member Salmon suggested we analyze the number of outstanding accounts as the August 1 deadline approaches. Mr. Hegwer confirmed we could send information to customers on the Sanford Cares program as the deadline approaches. Ms. Kelly reported that as of today, about 1,200 accounts are delinquent totaling approximately \$175,000.

Mr. Hegwer explained that the decision for City Hall to remain closed was made after the deadline was extended since there are other means through which bills can be paid, including the drop box at the drive through, mail, 24/7 over telephone, and check-free sites at Walmart and Piggly Wiggly.

Ms. Kelly explained that Council approval is not requested at this time because the deadline may be extended again and she will request Council approval of the policy when the date is finalized.

Discussion of Potential Alliance between City of Sanford and Town of Pittsboro Regarding Utilities

This item was removed from the agenda.

OTHER BUSINESS

Council Member thanked staff for their work on the budget under such unusual circumstances.

Council Member Salmon commented on how difficult this past week has been (with protests and riots). She urged everyone to unite as a City and work out things in our own homes first and hope that will spread throughout the nation.

Mayor Mann commented that there have been many great stories coming out of Sanford in the past few months. He encouraged everyone to keep their minds open as they are invited to join community events by being ready to lead groups who want to do positive things and to leave politics at the door as we try to heal a divided nation. He noted that things were as good as ever in Sanford back in February, with momentum from work done over the past six to eight years and he suggested that will carry us through tough times. He noted that an interlocal meeting will be scheduled soon and encouraged everyone to be aware of false information and unfounded rumors and to provide steady, calm leadership.

Closed Session

Council Member Salmon made a motion to go into closed session in accordance with N.C.G.S. 143.318.11(a)(3) to consult with an attorney employed or retained by the public body to preserve the attorney-client privilege. Seconded by Council Member Post, the motion carried unanimously.

ADJOURNMENT

Council Member Gaskins made the motion to adjourn the meeting; seconded by Council Member Post, 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, DEPUTY CITY CLERK