

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

The City Council reconvened the meeting (from June 5, 2018) at the Sanford Municipal Center, 225 E. Weatherspoon Street, on Monday, June 11, 2018, at 4 p.m., in Council Chambers. The following people were present:

Mayor T. Chet Mann
Council Member Byron Buckels
Council Member Jimmy Haire
Council Member Charles Taylor
City Manager Hal Hegwer
City Clerk Bonnie Davis

Mayor Pro Tem Rebecca Wyhof Salmon
Council Member Sam Gaskins
Council Member Norman Charles Post, III
Council Member James Williams
City Attorney Susan Patterson
Deputy City Clerk Vicki Cannady

CALL TO ORDER

Mayor Mann reconvened the meeting and public hearing at 4:00 p.m. from Tuesday, June 5, 2018.

PUBLIC HEARING

Public Hearing on the Proposed Annual Operating Budget for Fiscal Year 2018 – 2019

Mayor Mann opened the public hearing on the proposed budget, which includes a \$0.02 property tax; a vehicle fee of \$30; and an appropriation of \$209,000 for economic development services.

Sanford Area Growth Alliance (SAGA) CEO Joy Thrash spoke in favor of the proposed budget and thanked Council for supporting SAGA's economic development efforts.

Council Member Charles Taylor pointed out that the proposed budget did not fund the purchase of two new washer/extractors for the Fire Department but a solution has been proposed. City Manager Hal Hegwer explained that after reviewing the current year's budget, it may be possible to re-appropriate funds into next year's budget to purchase these items, barring any unforeseen circumstances that might arise.

With no others speaking in favor or against the proposed budget, Mayor Mann closed the public hearing and reconvened the Council meeting.

- **Adoption of Annual Operating Budget Ordinance for Fiscal Year 2019 – 2019 (Exhibit A)**
Council Member Gaskins made a motion to adopt the Annual Operating Budget, which includes a \$0.02 property tax increase; a vehicle fee of \$30; and an appropriation of \$290,000 for economic development services. The motion was seconded by Mayor Pro Tem Salmon.

Council Member Buckels expressed concern about the proposed vehicle tax of \$30 (the maximum charge allowed) since this is the first time the City has charged a vehicle fee. He acknowledged the need for the fee but suggested that we begin with a lower amount and increase it gradually. He reviewed information from nearby and similar-sized municipalities (shown on Exhibit B), noting that Sanford ranks lowest in median household income, highest in poverty percentage and would have the highest vehicle fee of the nearby cities shown. He also pointed out that for similar-sized communities, Sanford ranks fifth of six in median household income, has the highest poverty percentage and would have the highest vehicle fee. He expressed support for the budget with the exception of this fee and urged fellow Council members to lower it.

Council Member Gaskins agreed with Council Member Buckels that this type of fee is regressive but noted that the nearby cities shown collect much higher tax revenue than Sanford and Lee County because of their higher property values (regardless of their tax rates) and this offsets the vehicle fee. He commented that four of the five similar-sized cities shown are in Wake or Mecklenburg County and are not comparable to Sanford, which skews the numbers. He also noted that the difference between \$15 and \$30 per car is less than a gallon of gas every other month. Mr. Buckels acknowledged these points but stressed the effect that the fee will have on lower-income citizens.

A vote was taken on the motion to adopt the proposed budget ordinance for fiscal year 2018-2019, which was approved by a vote of six to one, with Council Member Taylor casting the dissenting vote.

OTHER BUSINESS

Council Member Buckels commented that he makes wiser purchases when he goes shopping with a list and a budget and encouraged fellow Council members to be aware of the difference between “wants” and “needs”.

Council Member Post thanked everyone involved with budget preparations and explained that while no one wanted the property tax increase or the vehicle fee, they were necessary to complete voter-approved park projects and for street maintenance. He expressed pride in the \$209,000 contribution to economic development and the two-percent (2%) cost-of-living adjustment for City employees.

Mayor Pro Tem Salmon also thanked staff for their work on the budget, as well as fellow Council members who put a great deal of time and effort into the process.

Council Member Haire agreed with comments by fellow Council members and with Mr. Buckels’ comments on the vehicle fee, noting that it could be lowered in the future; however, he thinks it is a better system for funding street improvements than financing them over several years.

Council Member Gaskins thanked everyone involved with the budget process.

Council Member Williams echoed comments by colleagues, noting this was the toughest budget process he has seen as a Council member. He thanked staff and the City Manager, noting

that they helped find solutions to questions posed by Council members, who didn't always agree on various proposals but worked together on the process.

Council Member Taylor also thanked staff for quickly responding to requests for additional information, but cautioned that Council should be more forward-thinking with future budgets, especially if growth doesn't materialize as quickly as anticipated.

City Manager Hegwer thanked Mayor Mann and Council for their work on the budget.

Mayor Mann reminded everyone that there would be no workshop meeting on June 12 and recognized Jim Randolph, SAGA's new Industry Retention Specialist. He stated that he attended the North Carolina League of Municipalities Association Mayors' Conference last week, where many mayors expressed concerns about the same issues as Sanford. He confirmed that the City is in great shape financially but noted that when the County revised the sales tax distribution model (from per capital to ad valorem), the City's share was reduced. This is good for all residents, since city residents are also county residents. In the past few years, the County was fortunate to land several very large projects which increased their share but reduced the city's. He encouraged continued support of SAGA and its efforts to draw new industry but also to help existing businesses expand. The Community Development Department's commercial business permits totaled \$101 million for the first quarter of 2018 and while that does not guarantee activity, it does indicate a great deal of interest in Sanford and Lee County. Several buildings have also been purchased by out-of-town investors. The Mayor closed by thanking everyone involved with the budget.

ADJOURNMENT

Council Member Buckels made the motion to adjourn the meeting; seconded by Council Member Gaskins, 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:



BONNIE DAVIS, CITY CLERK