

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

The City Council met at the Sanford Municipal Center, 225 E. Weatherspoon Street, on Tuesday, December 7, 2004, at 7:00 P.M. The following people were present:

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| Mayor Winston C. Hester | Council Member Linwood S. Mann, Sr. |
| Mayor Pro Tem Joseph E. Martin | Council Member James G. Williams |
| Council Member Walter H. McNeil, Jr. | Council Member Philip E. Dusenbury |
| Council Member Cornelia P. Olive | City Attorney Susan C. Patterson |
| City Manager Leonard Barefoot | |
| City Clerk Bonnie D. White | |

Mayor Hester called the meeting to order. Council Member Walter McNeil, Jr. delivered the invocation.

APPROVAL OF AGENDA

On motion of Council Member Phil Dusenbury, seconded by Council Member James Williams, the agenda was approved.

CONSENT AGENDA

Approval of November 16, 2004, City Council Minutes – (Filed in Minute Book 62)

The consent agenda item was approved upon motion of Mayor Pro Tem Joseph Martin. Seconded by Council Member Walter McNeil, Jr., the motion carried unanimously.

SPECIAL AGENDA

Recognition of National Night Out Award Recipients

Council Member Walter McNeil, Jr., recognized the National Night Out coordinators in the audience. He stated that this is the City's ninth year receiving a national award. Mr. McNeil thanked everyone for their participation and Joe Tucker from TV 67 for his videoing the activities of National Night Out. He said the program continues to grow each year.

CASE FOR PUBLIC HEARING

Public Hearing on Closeout of the FY 2003 Year 2 of the CDBG Revitalization Strategies Program - Consultant Patt Crissman with the Wooten Company – (Exhibit A)

Consultant Patt Crissman with The Wooten Company stated that this is the official public hearing to close out Year 2 of the CDBG Revitalization Strategies Program. This is a five-year grant that the City was awarded to work on the Wicker School restoration. For Year 2, there was \$350,000 in the budget; \$315,000 of this money was spent on the school and \$35,000 went to administrative cost. The work on the school included stabilizing the foundation and walls and a new roof was constructed. This work will continue into Year 3 of the grant. The public hearing is an opportunity for citizen input into the program. There will be some documents the mayor and city clerk will have to sign for closing out Year 2.

Mayor Hester opened the public hearing. No one spoke in favor or in opposition. The public hearing was closed.

DECISIONS ON PUBLIC HEARINGS

Petition by the City of Sanford - to rezone from Lee County Residential Restricted (RR) district, to the City of Sanford Residential (R-14) district approximately 25.92 acres of property accessed via Bristol Way and Brownstone Drive, which are public city streets within the Brownstone Subdivision, located west of Petty Road and further identified as Section 3 of Brownstone Subdivision. The property is the same as depicted on Tax Map 9623.04, Tax Parcel 9623-94-6775-00, Lee County Land Records Office. – (Exhibit B)

Assistant Community Development Director Marshall Downey explained that this property is proposed to be Phase III of the Brownstone Subdivision. A public hearing was held on November 16 at which time the Planning Board met and voted unanimously to approve this petition.

- Consider Adoption of an Ordinance Amending the Official Zoning Map of the City of Sanford, North Carolina – (Exhibit C)
Mayor Pro Tem Joseph Martin made the motion to go along with the Planning Board’s recommendation and adopt the Ordinance Amending the Official Zoning Map of the City of Sanford, North Carolina. Seconded by Council Member Cornelia Olive, the motion carried unanimously.

Petition from Stephen M. Brewer - to amend the City of Sanford Code of Ordinances, Chapter 42 Zoning Ordinance, Article IV, Development Standards, Section 42-209 *Central Business District, subsection (1) Yard Requirements (a). Minimum front yard depth.* The proposed change would affect the front setback for sites in which no adjoining buildings are present by reducing the setback (spacing) requirement from the current minimum of 15 feet (as measured from the street curb line) to a zero setback (as measured at the edge of the right-of-way). – (Exhibit D)

Assistant Community Development Director Marshall Downey explained that this is a text amendment regarding the change to the front yard setback in the Central Business District. The amendment would affect the front setback for sites in which no adjoining buildings are present by reducing the setback requirement from the current minimum of 15 feet (as measured from the street curb line) to a zero setback (as measured at the edge of the right-of-way). A public hearing was held on November 16 at which time the Planning Board met and voted unanimously to approve text amendment.

- Consider Adoption of an Ordinance Amending the City of Sanford Code of Ordinances, Chapter 42, Zoning Ordinance – (Exhibit E)
Council Member Walter McNeil, Jr. made the motion to adopt the Ordinance Amending the City of Sanford Code of Ordinances, Chapter 42, Zoning Ordinance. Seconded by Council Member Linwood Mann, the motion carried unanimously.

REGULAR AGENDA

Consider a Preliminary Subdivision Plat for The Plaza IMUD (Integrated Multiple Use Development) Subdivision for the Dedication of Plaza Boulevard as a Public Street – (Exhibit F)

Assistant Community Development Director Marshall Downey explained that this is a request for a preliminary plat approval and it is different in that the only item included in this request is for the dedication of a public street, Plaza Boulevard. Plaza Boulevard is a new street that connects to Douglas Drive and Spring Lane. The City inspected the street during construction, and if the preliminary subdivision plat is approved, the City will maintain the street. The Planning Board discussed this plat for the dedication of Plaza Boulevard at its November 16, 2004 meeting and voted unanimously to recommend approval of this preliminary subdivision plat.

Council Member Linwood Mann made the motion to approve the preliminary subdivision plat. Seconded by Council Member Walter McNeil, Jr., the motion carried unanimously.

Consider a Preliminary Subdivision Plat for Imperial Freezer, Inc. for the Dedication of Imperial Drive as a Public Street – (Exhibit G)

Assistant Community Development Director Marshall Downey explained that this is a request for a preliminary plat approval and the request is for the dedication of an existing street, Imperial Drive. Approval of the preliminary plat would dedicate the street to the City and the City would take over maintenance of the street. The City Engineering Department has indicated that the street conforms to City standards. The Planning Board discussed this plat for the dedication of Imperial Drive at its November 16, 2004 meeting and voted unanimously to recommend approval of this subdivision. Council Member Olive asked if there was enough room for the fire truck to turn around at the end of the street. Assistant Fire Chief Hayden Lutterloh replied yes.

Council Member Walter McNeil, Jr., made the motion to go along with the Planning Board's recommendation and approve the preliminary subdivision plat. Seconded by Mayor Pro Tem Joseph Martin, the motion carried unanimously.

Consider Interlocal Agreement for the Consolidation of Certain Public Water Systems Within Lee County – (Exhibit H)

City Manager Leonard Barefoot explained that the City and County has had ongoing discussions regarding solutions to the operation of the City's and County's water systems. The best solution is to merge the two systems into one. If the systems are merged, it would require the City to borrow enough money to retire the debt of the Farmer's Home District and the County for their portions of the systems. We cannot borrow the money until January of 2005. If merged, it would require a resolution authorizing the installment purchase financing of the system and appoint Financial Services Director Melissa Cardinali to begin soliciting bids which must be approved by the Local Government Commission. It would require easements and legal documents transferring the assets of the systems to the City. For this reason, an interlocal agreement for the consolidation of the water systems within Lee County has been prepared for Council's approval. Mr. Barefoot explained the document in detail as noted in Exhibit H. The agreement is between three entities, the City of Sanford, Lee County and Lee County Water and

Sewer District No. 1. Staff has worked with Jackie McLamb, who heads Farmer's Home in Garner, NC. Mr. McLamb helped establish the district several years ago.

Mr. Barefoot said that the agreement states in general upon securing reasonable financing through the marketplace that the City will assume the debt of the Farmer's Home District and County in exchange for all the assets of the County and District. The City would retire the debt of the District and receive the assets and operate the system as one.

Financial Services Director Melissa Cardinali stated that the Water District issued four different sets of obligation bonds and just under \$7.5 million of those bonds can be prepaid. The City will borrow the money through a bank via installment purchase, and the bonds will be paid off and that debt will be completely retired. There is one issue of bonds which amounts to \$1.2 million balance and those bonds cannot be prepaid at this time. The City's proposal is for, at a later date, an interlocal agreement to be prepared that will allow us to pay the County the exact portion of their debt service payment each year, and they will make the payment on that bond until such time it can be retired. The bond that cannot be prepaid was issued to the County via Southern Bank. Mr. Barefoot added that the County will consider the interlocal agreement on Monday, December 13, 2004. Mrs. Cardinali will be seeking proposals from various banks in January 2005. Mrs. Cardinali stated that a completed application needs to be presented to the Local Government Commission the first of February for a March 1 approval. The Local Government Commission requires thirty days. Mr. Barefoot explained that the existing local agreement with Lee County and the District to maintain the current operation is through June 30, 2005; this is the second target date in the process.

Council Member Linwood Mann asked how the City would derive at the value of the fittings; these are things that are movable. Mr. Barefoot stated that the agreement states that the County and District will transfer all assets of the system – lines in the grounds, ancillary equipment, tanks, leases, and assets in the account to the City.

Council Member McNeil asked what percentage rate is the County paying on the loan now. Mrs. Cardinali replied their bonds are on an average of 5.1 percent. She felt the City's installment purchase financing will be 4 percent or less. Mr. Barefoot stated that the City has a responsibility to Farmer's Home. The City will be signing a document that states that we will respect the requirements of the grant because part of these funds was an outright grant. We will have to satisfy Farmer's Home that we will operate the systems for the same purposes that the County did. Mr. Barefoot added that the \$1.3 million grant will not be able to be prepaid; the City will have to pay it as it comes due. Mrs. Cardinali explained that when the County received this funding of \$1.3 million, the United States Department of Agriculture did not have funding, and they arranged with Southern Bank for the County to receive this funding. The loan of \$1.3 million will be paid off in 2018.

Council Member Olive asked how the purchase of this system would benefit the City. Mr. Barefoot replied it would benefit the City in a number of ways. The current agreement has created some problems, such as which entities own the water lines; it will allow the City to operate the systems as one system; it will allow a developer to tie onto the system at any time; it will be a bigger system and operate more efficiently. This is also true for the County

customers. The system would operate as an enterprise fund and a requirement of this fund is that the revenues have to be sufficient to cover the expenditures. Council Member McNeil added that two years ago, a developer wanted to hook a subdivision onto City water, and the City couldn't unless we got the County's permission and the County had some problems with doing this. If the City owns the system, it will resolve these types of problems.

Public Works Director Larry Thomas commented when the City's crews get called out, they have to determine which entity owns the lines to be worked on. If it is the County's lines, then the County has to be billed. New employees get real confused. If they get called out at night, they might find out it is a County line. Mr. Thomas used Pendergrass Road for an example. One end of the line is the City's; the middle of the line is owned by the County and then it goes back to the City. The employees have to know where the lines are because of line locates, that have to be done with cable, etc. The same is true with meter readers; they have to know which are County customers and City customers. Customers come to the City with problems that are actually the County's problems.

Mayor Pro Tem Martin felt that the dividends are down the road. Mayor Pro Tem Martin made the motion to approve the Interlocal Agreement for the Consolidation of Certain Public Water Systems Within Lee County and to authorize staff to present Lee County a clean copy of the agreement with no markings on the agreement. Seconded by Council Member Linwood Mann, the vote was five to one in favor to adopt the agreement. Council Member Cornelia Olive cast the dissenting vote.

Consider Resolution Authorizing Installment Purchase Financing for the Purchase of the Lee County Water District Water System – (Exhibit I)

Mr. Barefoot stated that this resolution would authorize Financial Services Director Melissa Cardinali to request installment purchase financing bids from financial institutions for the purchase of the Lee County Water District water system. Council Member Phil Dusenbury made the motion to adopt the Resolution Authorizing Installment Purchase Financing for the Purchase of the Lee County Water District Water System. Seconded by Council Member James Williams, the motion carried five to one in favor to adopt the resolution with Council Member Cornelia Olive casting the dissenting vote.

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

OTHER BUSINESS

Mayor Pro Tem Martin announced that the North Carolina Main Street Conference will be held in New Bern, North Carolina, from January 26 – 28, 2005. Mayor Joe Riley will be the keynote speaker on Friday. He felt some of the council members would like to go down on Friday to hear Mayor Riley speak and come back on Saturday. Mr. Martin will forward the information to the Council Members.

City Manager Barefoot thanked the City Hall employees for their participation in the Annual Christmas Tree Lighting.

ADJOURNMENT

With no further business to come before the Council, the meeting was adjourned on motion of Council Member Linwood Mann; seconded by Council Member Walter McNeil, Jr., the motion carried unanimously.

Respectfully submitted,

WINSTON C. HESTER, MAYOR

ATTEST:

BONNIE D. WHITE, CITY CLERK