

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, May 29, 2007, at 7:00 P.M. The following people were present:

Mayor Cornelia P. Olive	Council Member Linwood S. Mann, Sr.
Mayor Pro Tem Walter H. McNeil, Jr.	Council Member James G. Williams
Council Member Dan Harrington	Council Member Joseph Martin
Council Member Mike Stone	Council Member Steve Brewer
City Manager Leonard Barefoot	City Attorney Susan C. Patterson
Deputy City Clerk Janice Cox	

Absent: City Clerk Bonnie White

Mayor Olive called the meeting to order. Council Member Joe Martin delivered the invocation.

**REMARKS BY CITY MANAGER**

City Manager Leonard Barefoot noted that on May 15, 2007, in accordance with North Carolina General Statute, he had presented a proposed budget for FY 2007-2008 to the City Council. Since that time, much has been said or written about the budget, some of which has not been accurate. In accordance with General Statute, we have advertised this public hearing for the purpose of hearing from the public on the budget. One thing mentioned that was not accurate pertained to the business privilege license not being a part of the hearing tonight. A public hearing is not required on the business privilege license, but the program revenues are part of this year's budget, so this is a proper time to voice your concerns if you have them on the business privilege license. Any time following this meeting and prior to July 1, 2007, the City Council is bound to adopt this budget in some fashion.

**REMARKS BY MAYOR**

Mayor Cornelia Olive reviewed ground rules to be followed in the interest of having an orderly public hearing. Each speaker is requested to come to the podium and state his/her name and address. Each speaker will be limited to three minutes and City Attorney Susan Patterson will keep the time and signal speaker. Those presenting petitions should come to the podium and state their name and address and give the message of what the petition says and the number of persons who have signed it. After which, they should present the petition to Deputy City Clerk Janice Cox. Mayor Cornelia Olive stated that this is a public hearing, and it is the time for citizens to make comments and express opinions. She said that is what she wants the public to do, following the guidelines. She said that specific questions may be directed to a member of the staff or a council member, but if it cannot be answered concisely, she will take their telephone number and have someone call them for a thorough answer. In the interest of time and fairness, Mayor Olive asked speakers to avoid being repetitious. She will try to be sure everyone is heard.

**PUBLIC HEARING ON PROPOSED FY 2007-2008 BUDGET**

Mayor Olive declared the public hearing open. The following persons spoke:

**Paul Poe** lives in St. Andrews, but has a business at 120 Bank Street—B & D Grill. He stated that he is against the business privilege license tax and presented a petition against the business privilege license tax to Deputy City Clerk Janice Cox. Mr. Poe stated that the petition contained 5,000 signatures (Exhibit A). He felt the problems at the golf course needed to be addressed before putting the business privilege license tax into place.

**Bill Cotton** lives at 451 Pond Road which is not in the city limits, but he owns property in the city limits. He spoke in favor of the golf course. He has been playing golf in Sanford for over 30 years. He says the Sanford Golf Course provides a place for the working man to play golf, and the working man pays most of the taxes in Sanford. He feels it is the same as the county providing Parks and Recreation.

**Craig Sturdivant** lives at 3006 Wildwood Drive. He spoke in favor of the golf course. He believes it is a quality-of-life issue and noted that the golf course had been in existence since 1934. He suggested raising rates by \$2.00 a year for a period of three years. He felt that would get the course to the point of breaking even, and in ten years, when the debt service is depleted, the rates could be reduced. That would keep us under \$30 per round which is more affordable than other competitors in the area based on a quality comparison of the courses. He suggested trying to bring in business from out of town by advertising our corporate rates to corporate Wake County. He suggested keeping junior and senior rates low.

**Burke Buchanan** who lives at 920 Wicker Street spoke about the golf course. He advised getting the golf course to a point where it is not losing money. He wondered how much time Council had spent studying what they could do to make the golf course more efficient. He wondered if Council had looked at any other items in the budget that might be losers that could be adjusted to find funds to balance the budget. He hopes Council will be able to come up with a solution other than a new tax.

**Lacy Tripp** lives at 511 Pugh Street and spoke in favor of the golf course. He is a student at West Lee and plays on the golf team there. He learned to play golf at the Sanford Golf Course with the help of Golf Pro David Von Canon. He would be very hurt if the Sanford Golf Course were not available to him because he probably could not afford to play at the surrounding courses.

**Andrew Keller** lives at 227 Rocky Fork Church Road and spoke in favor of the golf course. He is a P. E. teacher and golf coach at East Lee Middle School. He says he has seen the kind of relationships students develop who play golf and how it gives them something to do after school and during the summer which helps keep them from doing other things. The students form important bonds and learn responsibility by being at the golf course. He feels that there are enough children in Lee County who spend time at the golf course to make the course well worth keeping. Without the course, these children will find other things to do. He feels the course is a little community, and it is important to keep and bring more people into.

**Paul Sigcogna** who lives at 1519 Phillips Drive spoke about golf course. His son, a student at West Lee Middle School, plays golf at the Sanford Golf Course. He says that there are other golf courses that will accommodate the kids. He says the big issue is that the numbers are not good. It is a business.

**W. O. "Dock" Batchelor** who lives at 4175 NC Highway 87 spoke against the golf course. He commented on the business losses at the golf course and did not feel that people who do not play golf should pay for those who do. He did not feel that everyone could afford to play golf.

**Steve McDuffie** who lives at 624 Tidewater Drive spoke in favor of the golf course. He is a teacher and athletic director at East Lee Middle School. He says that golf has become so popular at his school that they actually teach it in P.E. He says his two sons were actually raised at the golf course. He feels like there are two sports left in which honesty play a big part— fishing and golfing. To him, it is a life lesson and we cannot put a price on it.

City Manager Barefoot corrected the figures Mr. Poe had quoted in his remarks. The number of over \$300,000 Mr. Poe used includes full price at purchasing the carts and other expenditures at full price. The revenue adjustment for the increases would be \$167,000 in the budget as proposed for Council's consideration. Council Member Mike Stone remarked that the revenues generated by the golf course in the budget are budgeted for \$514,500; the expenditures from the golf course are \$894,000. That's \$380,000. Mr. Barefoot said he would stand behind the numbers Finance Director Melissa Cardinali had given him. The operating deficit proposed for the golf course this year is \$167,000.

**Craig Adams** whose business address is 2412 S. Horner Boulevard spoke against the business privilege license tax. He manages Piggly Wiggly, and he feels the license is a targeted tax with too many exemptions. He says it is an unfair tax and that all the other businesses he has contacted are against it, too. It is based on sales instead of profits, making it possible for the business to lose money and still have to pay the maximum tax. He feels small businesses will take a heavy hit with the new super box store coming in. The tax will be an indirect tax on the consumer.

**Scott Buchanan**, who, with his wife, owns Angie's Breakfast Barn located at 1221 N. Horner Boulevard, spoke against the business privilege license tax. He says they started from scratch with the business a year and a half ago, and they have worked to make everyone happy with the fire marshal and inspectors. He pays insurance on his employees even though he and his wife have no insurance. Every month, taxes are wiping them out. He calculated his business tax at \$500 per year and he said he doesn't have it. He says some weeks he and his wife don't get a check, and they have not been able to afford to put up a sign yet. Instead of raising taxes, he believes Council should find ways to save money because that is what they have had to do.

City Manager Barefoot stated that according to the regulations, Mr. Buchanan's restaurant would have to pay \$42.50 per year for the business license, not \$500.

**David Spivey**, who lives at 204 Zimmerman Road, spoke against the business privilege license tax. He spoke on behalf of the Sanford Area Chamber of Commerce. The Chamber represents small businesses, single-person owned businesses, and up to corporations which employ hundreds of people. Chamber members are strongly opposed to this tax. On April 19, the Chamber Board of Directors adopted a letter which was forwarded to the mayor and council members stating their position. In summary, the letter stated that the business tax is not fair because it contains too many exceptions and exemptions. Tax payers should always know when they are required to pay a tax. This business tax is hidden from the public and will be passed on to the consumers. It discriminates against high-volume, low-margin retailers and reduces the productive capacity of the economy. The tax is not easy to understand because of its complicated schedule and because the tax bears no relationship to profitability. In fact, a business could just break even or show a loss for the year and still have to pay the tax based on the gross receipts for the year. The Chamber appreciates Council listening and making adjustments to help small businesses. Mr. Spivey said that the Chamber realizes we must all pay our fair share for the public services that allow us to protect our business investment and prosper as a community; however, they do remain opposed to the business privilege license tax because of its basic unfairness. The Chamber encourages the Council to work diligently to prepare a budget which provides services appropriate for our community with a minimum tax burden. The Chamber also encourages the Council to invest in future programs and services which will enhance the quality of life.

**William Collins**, whose business is located at 512 Wicker Street, spoke against the business privilege license tax. Mr. Collins says he currently pays city tax, county tax, and a special downtown tax. Furthermore, he collects sales tax. He feels this tax should be called a penalty tax instead of a privilege tax. He feels it is a penalty tax for doing business in the City of Sanford. He is in favor of the 1.5 percent increase in property taxes, but he is against this tax. He says he has been operating his business for 19 years, and he probably the least educated person in the building. He said he couldn't afford to lose \$20,000 - \$30,000 a year, let alone \$200,000 a year. He would rather pay his taxes equally with all other property owners in Sanford.

**Nancy Adams**, whose business address is 2412 South Horner Boulevard, spoke against the business privilege license tax. She and her husband operate the Piggly Wiggly. She urged council members to consider that if they owned a retail store and had to pay this same tax whether or not they would vote in favor of the tax. She said that taxes never go away; however, they can be expanded.

**Craig Sturdivant**, who lives at 3006 Wildwood Drive, spoke in favor of the business privilege license tax. He says that every major community in this state has a business privilege license fee. He questioned whether those speaking against this tax actually own the buildings they are in. He says that if this tax is not enacted, property taxes will go up and the landlords will have to pay. Last year he paid \$28,000 in property taxes. He does not need a property tax increase. He is glad to pay the \$50 for a business privilege license; it would save him a lot of money. He says that most businesses will fall into the 10-15 percent category. If they made enough money to fall into a higher category, they can afford to pay the extra charges. He says he calculated that if a business had \$2 million in receipts, they would pay \$800,000 for the year. He

says that 75% of communities our size already have this tax. Wal Mart pays it in other towns and should pay it here.

**Harold Kelly**, who lives at 6023 Mockingbird Lane, spoke against the business privilege license tax. He didn't understand how Council could come up with a tax that all the people don't have to pay. He says it is easy to sit and tax other people and spend other people's money. He didn't understand why one business would be taxed higher than another. He says he never hears that we have more money than we need from any governmental source. He says the problem is financial planning. He didn't understand why Sanford wanted to put in this tax while Chapel Hill is doing away with theirs.

**Larry Long**, who lives at 1800 Valley Road, says he has been in business since 1971, and if he operated his business the way City wants to operate its business, he would have been closed a long time ago. He says cities increase the privilege tax after it has been established.

**Dock Batchelor**, who lives at 4175 Highway 87, spoke against the business privilege license tax. He said it looks like a double income tax to him, which he thought was against the law. He says he pays a privilege license tax to the state now.

**Jay Childress**, who lives at 1509 Cranberry Lane, spoke against the business privilege license tax. He says the tax affects him indirectly because he will have to pay more at local stores. He said that all, but two, members of the board were elected by their constituents. He said if they would get their heads out of the sand and listen to the people in their districts, they would not find anyone in favor of it. He has not talked to a single person in favor of it. He feels if Council votes in favor of this tax, their constituents will be voting against them. He feels that the council members are stewards of the tax dollars, and they need to be looking at ways to cut money out of the budget instead of taxing the businesses in Sanford.

**Phyllis Lyons**, who lives at 101 Wendy Lane, spoke against the budget. She said that Council needed to go back to the drawing board for the budget. She voiced dissatisfaction with the property revaluations. She expressed concerns for seniors who have to live on fixed incomes. She says she is glad her children don't live here. She mentioned homes for sale due to not having taxes paid and predicts more for next year. She said Council needed to stay on budget and not increase it every year. She feels that if the city can't afford to beautify the city, just to let it go. She says if the property has to be revaluated, then City should reduce the tax percentage.

**Paul Poe**, whose business is located at 120 Bank Street, spoke against the budget. He said he had studied the fund balance over the years. He said that the fund balance in 1996 was \$87,000 and in 2005 was \$10 million. He said that if we can take our fund balance from \$87,000 to \$10 million, he feels sure if Council put their heads together, they could find a way to save some money and eliminate the privilege tax. Then, when the time comes that we really do need this privilege tax, people would probably be a little more receptive to it if it can be made fair and balanced for everybody.

**Scott Buchanan**, who lives at 2608 Andrews Drive and owns Angie's Breakfast Barn, spoke against the budget. He said City wants this tax and has just gone up on property tax, and he gave examples of family property taxes going up. City Manager Barefoot explained to Mr. Buchanan that the County Commissioners are responsible with valuating property and that the City Council had nothing to do with the revaluation as the City Council does not establish property values. Mr. Buchanan pointed out that City does get money from property taxes. He wishes people would start thinking about the working people who are struggling to make ends meet.

With no one else requesting to speak, Mayor Olive closed the public hearing.

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

**ADJOURNMENT**

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

Respectfully submitted,

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CORNELIA P. OLIVE, MAYOR

ATTEST:

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JANICE COX, DEPUTY CITY CLERK