

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, April 15, 2008, at 7:00 P.M. The following people were present:

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|-------------------------------|--------------------------------------|
| Mayor Cornelia P. Olive       | Council Member Linwood S. Mann, Sr.  |
| Mayor Pro Tem Joseph Martin   | Council Member James G. Williams     |
| Council Member Charles Taylor | Council Member Walter H. McNeil, Jr. |
| Council Member Mike Stone     | Council Member Steve Brewer          |
| City Manager Hal Hegwer       | City Attorney Susan C. Patterson     |
| City Clerk Bonnie D. White    |                                      |

Mayor Olive called the meeting to order. Council Member Charles Taylor delivered the invocation.

**APPROVAL OF AGENDA**

Council Member Mike Stone made the motion to move Regular Agenda Item 6A.-- Consider Repeal of the Privilege License Tax-- to the end of the agenda since that is what the majority of the people are here for. Council Member Charles Taylor seconded the motion. Council Member Steve Brewer asked where this item was being moved to. Mayor Olive replied to Item 6C. The vote was unanimous to move the item to Item 6C.

Council Member Stone made a motion to add an item as Item 6D-- Discussion on Property Tax. Council Member Charles Taylor seconded the motion. Council Member Brewer stated that being city council meetings are meetings where action is to be taken; it seems to be something that council should discuss during Law and Finance. This is typically where the discussion phase is. Council Member Stone amended his motion to add Item 6D – Discussion on Reduction of Property Tax-- if possible. Council Member Brewer reiterated that this is an item to be discussed at length in a Law and Finance meeting and have information from our finance department. Council is not prepared to talk about something of this magnitude at an action-taking meeting. The vote was 4 to 3 against adding this item to the agenda. Council Members James Williams, Linwood Mann, Steve Brewer, and Walter McNeil voted not to add the item for discussion. Mayor Pro Tem Joseph Martin and Council Members Mike Stone and Charles Taylor voted in favor of adding the item for discussion.

On motion of Council Member Steve Brewer and seconded by Council Member Mike Stone, the amended agenda was approved.

**CONSENT AGENDA**

Approval of March 26, 2008 Law and Finance Committee Minutes - (Filed in the City Clerk's Office)

Approval of April 1, 2008 City Council Minutes – (Filed in Minute Book 69)

Approval of Governor's Crime Commission Grant Application – (Exhibit A)

Approval was given to submit a full application to the Governor's Crime Commission under the Gang Violence Prevention Program. The grant requires a 25 percent local match from the city.

The consent agenda items were approved upon motion of Mayor Pro Tem Joseph Martin. Seconded by Council Member James Williams, the motion carried unanimously.

**CASE FOR PUBLIC HEARING**

Petition by W. Woods Doster, Attorney for Clara Hoke & Callie Waddell, - to rezone from R-6, Residential Mixed district to C-1, Light Commercial & Office district 0.81+/- acres addressed as 622 Washington Avenue. The property is the same as depicted on Tax Map 9642-07, Tax Parcel 9642-77-0790-00 Lee County Land Records Office.- (Exhibit B)

Assistant Community Development Director Marshall Downey advised that Attorney Woods Doster is representing Clara W. Hoke and Callie Waddell. The owner is Clara Hoke and Ms. Waddell is her guardian. The property consists of one tract of land totaling 0.81 of an acre, which is triangular in shape and contains an existing single-family home. The property is bordered by Horner Boulevard to the west and to the south and Washington Avenue to the east. The only other abutting residential property is along the northern property line.

The petitioner has indicated to staff that Mrs. Hoke is currently living in a nursing home and the family would like to rezone and sell the property to assist in paying for her care. All parcels within this block and the immediate area are zoned Residential Mixed (R-6). To the west of the property is Stewart Manor, an apartment community owned and operated by Sanford Housing Authority. To the east are vacant property and several single-family dwellings.

Mr. Downey explained that this C-1 district as proposed and if approved, is the first property with this zoning designation. The C-1 district was created to be a transition between the C-2 General Commercial, which was similar to the City's old General Business, as well as a transition between that and Office and Institutional, which was intended to be suited for professional offices. The closest non-residential zoning would be the C-2 zoning which is to the south along Horner Boulevard. This is the site of the Sanford Video and Adult News which is approximately 750 feet from the subject property.

The property has access to public water and sewer and is not located within a floodplain or an overlay district.

Mr. Downey explained what the Residential Mixed (R-6) and C-1, Light Commercial & Office districts are intended for. The 2020 Land Use Plan Map does not identify a specific land use for the subject property. Staff recommends that the Planning Board and City Council support the petition to rezone the property.

Mayor Olive opened the public hearing. Attorney Woods Doster, representing Mrs. Hoke and Mrs. Waddell, spoke in favor of the petition. He advised that Mrs. Hoke and Mrs. Waddell are sisters-in-law. Mrs. Hoke was a school teacher for many years in Lee County and

has unfortunately been declared incompetent, and Mrs. Waddell is serving as her guardian. Mrs. Hoke is at Liberty Commons Nursing Home. The cost of her care is \$4,960 per month and her income is less than \$2,000 per month from her teacher's retirement and social security. She needs money to pay for her care. The sisters-in-law are the co-owners of the subject property. Mr. Doster stated that sometime in the past that property was residential in character, but changes are happening on Horner Boulevard. The property has a high value as commercial property, but as the home of a run down rental house, it has a low value. These owners need some relief and need the property rezoned. They are the first to apply for the C-1 district.

No individual spoke in opposition. The public hearing was closed.

The Planning Board retired to the West End Conference Room.

### **REGULAR AGENDA**

#### **Consider Voluntary Contiguous Annexation by CRD Investments, LLC, and Coy and Carolyn Broadwell for Barrington Park**

- **Consider Resolution Directing the Clerk to Investigate a Contiguous Annexation Petition(s) of Approximately 141.05 Acres of Property by CRD Investments, LLC, and Coy and Carolyn Broadwell – (Exhibit C)**

Planner II Elizabeth Whitmore explained that the resolution directs the city clerk to investigate the petition to see if it is valid. The petition was submitted on March 3, 2008. It is for two parcels encompassing approximately 141 acres located south of the intersection of Commerce Drive and Highway 87. There are two separate property owners. Coy and Carolyn Broadwell own 133 acres and CRD Investments owns 8 acres.

Council Member Walter McNeil made the motion to adopt the Resolution Directing the Clerk to Investigate a Contiguous Annexation Petition(s) of Approximately 141.05 Acres of Property by CRD Investments, LLC, and Coy and Carolyn Broadwell. Seconded by Council Member James Williams, the motion carried unanimously.

- **Receive Certificate of Sufficiency – (Exhibit D)**  
City Clerk Bonnie White has investigated and verified that the petition is valid and met the criteria.
- **Consider Resolution Fixing Date of Public Hearing for Barrington Park Voluntary Annexation – (Exhibit E)**  
The resolution sets the date of the public hearing for May 6 at 7 P.M. for the voluntary annexation. Attorney Patterson advised Ms. Whitmore to change the time of the public hearing to 7 P.M. instead of 1 P.M. on the resolution.

Mayor Pro Tem Joseph Martin made the motion to adopt the Resolution Fixing Date of Public Hearing for Barrington Park Voluntary Annexation. Seconded by Council Member Mike Stone, the motion carried unanimously.

Consider Repeal of the Privilege License Tax

Council Member Charles Taylor quoted H. G. Wells, who was an English writer known for his science fiction, "In politics strangely enough the best way to play your cards is to lay them face upward on the table." He said that it has been disclosed recently that we have a total budget of \$41.5 million. Our General Fund is \$21 million; by law we are required to maintain 8 percent of our balance as a minimum, which is \$1.68 million of the General Fund. He continued that the city has \$9.7 million in our General Fund. Mr. Taylor said that while he believes in a very strong balance sheet, he also believes in good stewardship of our money and representation of the people. Mr. Taylor said since he was elected, he had vowed to bring up a repeal of the Business Privilege License and he is sticking to the promise. He added that as he spent the weekend in different ethnic origins in the neighborhoods, it dawned on him that this tax crosses racial barriers; no one is immune to it.

Council Member Taylor explained that the packets went out in March and asked how the city generated a list for the Business Privilege Tax (BPT) to go out. City Manager Hegwer replied that the list was generated from a couple of different sources – utility billing information and a combination of phone books and other publications that targeted businesses.

Council Member Brewer asked if it would be proper to have a motion and second on the floor before council has discussion on the issue. Mayor Olive replied that Mr. Taylor had asked for this item to be put on the agenda, and she was waiting to hear what direction he was going to take.

Mr. Taylor stated that he works for 3M Corporation and currently, 3M is capped at \$2,500 on the Business Privilege License. There are many manufacturers within our city limits. He asked how we are going to tax all the vendors that are supplying these manufacturers, that deliver raw materials, that conduct business within the city limits, and deliver products within the city limits. How long before the caps come off?

He stated that Council Member Williams owns an insurance agency and was exempt by the state. Mr. Taylor said Mr. Williams pay zero, but he supported the tax in 2007. He said Mr. Williams had many customers that are affected by this tax.

Mr. Taylor directed comments toward Council Member Brewer. He said Mr. Brewer owns a restaurant and a bar. Mr. Taylor said Mr. Brewer pays \$42.50 for the restaurant. "According to the Business Privilege License, Mr. Brewer should pay \$15 for an on-premise wine, additional \$15 for on-premise beer license; you should also pay \$2.50 for ice cream that you serve; you should pay for cigarettes that you sell in the bar which is another \$4." Mr. Taylor continued that Mr. Brewer has video machines, which adds an additional \$5 per machine. He told Mr. Brewer that he has sales people who go to his restaurant frequently to sell him products to serve in the restaurant. He asked Mr. Brewer in good faith if he was willing to turn over his vendor list so the city can assess that tax to them. Council Member Brewer replied that he currently pays a \$15 wine tax, \$15 beer tax, and \$6,600 liquor tax for the privilege of selling liquor that goes straight to the City of Sanford ABC which goes to the City; that is the reason restaurants pay \$42.50. Mr. Brewer said he would gladly turn over his vendor list like 76 percent of the other cities our size do throughout North Carolina. Mr.

Brewer added that we are at the tail end of this dog that is wagging because everybody else already has this in place. Mr. Brewer continued that he realized that people pay different amounts of money for different things; this is not a perfect tax. A lot of soul searching went into this months ago before he made his decision. Mr. Brewer said that for some reason there are two sides to this tale and only one side gets told and his side has to be wrong. Mr. Brewer said he has weighed the evidence he had and yes he is willing to do that. Other cities collect from their vendors; other cities are up to \$1 million in revenue coming in. This was for revenue for the future so we can drop this property tax that is putting such a burden on our taxpayers. He said Ward 1 has \$447 million worth of property in it; most of it is residential. He said \$.01 would give \$50,000 back to the people in his ward and that is one reason he chose to go with this tax because it will grow. He did not take it lightly when he voted on it the first time. Mr. Taylor thanked Mr. Brewer for telling council he would provide that list. Mr. Taylor said to Mr. Brewer that he was glad Mr. Brewer mentioned about his liquor tax because, congratulations, Mr. Brewer, you are the number one purchaser of malt beverage last month in the City of Sanford and that Mr. Brewer's business accounted for over 10 percent of the malt beverage purchases in Sanford. Mr. Taylor said that Mr. Brewer bought \$4,566 in beverage and he paid a liquor tax and he appreciated that. Mr. Taylor said that there are other businesses that have to pay tax on goods that are also used as an ingredient. They also pay the business privilege on gross sales. He said that Mr. Brewer did not and asked if that was fair.

Council Member Brewer responded to Mr. Taylor: "Mr. Taylor, I'd gladly, gladly have the state of North Carolina make me pay for my gross sales. You tell me a tax that's fair. There none fair. Income tax isn't fair. You can beat this thing to death all you want, so you can ask all the questions you want." He agreed that Mr. Taylor was entitled to ask all the questions he wants.

Council Member Williams addressed comments to Mr. Taylor: "Well, Mr. Taylor, it seems that you've singled me out as being exempt from the privilege license." Mr. Taylor interjected, "And you do pay a state license." Mr. Williams said, "I do pay a state license, somewhere to the tune of \$450 a year. I didn't exempt myself. The state did that. In my research, I find that you don't pay a tax either, it seems. But you don't own a business. So, it is very easy for you to jump back and forth. I'd also like to say that our conversations as fellow council members over the past two weeks, I took exception to the threats that were made—you know, you telling me that these people that you are working with are all powerful and with plenty of money and if I don't vote your way that I am going to have to suffer the consequences. I find that very offensive and not within the realm of one of the city fathers. There are going to be a lot of issues that come up during your tenure on the board and mine and we are not going to agree on all of them, but does that mean that we attack each other? Certainly not. I just take offense to it."

Mr. Taylor said that he did not attack Mr. Williams. He said, "We have had two good conversations in the last two weeks, and I shook your hand and I thanked your level of service and for being a man of integrity."

Mr. Williams responded, "Did you not say that I would have to suffer the consequences?" Mr. Taylor said he did not. Mr. Williams said that he did.

Council Member Linwood Mann inquired as to why council was having this discussion when there was no motion on the floor. Mayor Olive asked Mr. Taylor if he had a motion to make. Mr. Taylor responded that he did, but he thought they had to have some questions answered before he could get to that stage. Mr. Mann asked why he could have questions and answers when he didn't have a motion. Mr. Taylor agreed to make a motion.

Council Member Charles Taylor made a motion that council take a vote to repeal the business privilege tax. The motion was seconded by Council Member Mike Stone.

Mr. Taylor addressed remarks to Council Member Stone: "Mr. Stone, you own a grocery store and you also own a wine store. You compete against big box retailers. You pay \$50 plus percentage of sales, and you have supported repeal of this tax on numerous elements. Speaking of big box retailers, Wal-Mart, for instance, has a restaurant that is taxed; they sell beer which is another tax; they sell bicycles—another tax; they sell guns—another tax; they are a weapons' dealer—another tax; they sell televisions and radios—another tax; they sell videos—yet another tax; they sell home health care products—another \$50; they have beauticians that have to pay two fifty per chair; manicurists also have to pay—all of this in addition to a \$.50 per one thousand gross receipts. Mr. Stone, some of these items you have in your store, so it is not just a big box retailer tax."

Mr. Stone added that he pays state tax, as well. He pays several license fees that go to the state, as well as the city and the county. He thinks now they are up to about thirteen licenses to operate his small business. He wanted to add those to the licenses he pays outside the city and county.

Mr. Taylor addressed remarks to Council Member Linwood Mann: "Mr. Mann, you work for a big box retailer that will be one of the top five payers of this tax. Personally, you pay zero dollars. You used to own a hardware store. On several occasions, you have mentioned that you paid a merchant's fee at the time of \$5. Now, you support a tax that will cost some retailers \$50,000 or more. You have vendors in light color vests constantly in your store conducting inventory, setting up displays, and launching new products; and you have sales people trying to sell you more paint, more lighting, more fixtures. Is Lowe's willing to turn over their vendor list of all those vendors who have conducted business within city limits where product has been sold and delivered? Lowe's also sells knives. Should you pay \$200 for that tax, as well? Outside, your hotdog vendor is subject to the tax. How do we identify him? Did he show up on our utility list? You have admittedly said that there are things wrong with this tax, and maybe we need to rethink things. We know what big box stores have done to your personal business. Lucky for you, you now work for a big box retail store. What happens when high taxes do the same thing to that store that had to do with yours?"

Mr. Taylor addressed remarks to Mayor Pro Tem Martin: "Mr. Martin, you own a printing-silk screening business. You face this tax and will pay \$50 plus a percentage. You also own a restaurant with your wife and will pay for that, as well. Like Mr. Stone, you opposed this tax at the outset."

Mr. Taylor addressed remarks to Council Member Walter McNeil: “Mr. McNeil, you operate a business out of your home. The interesting thing is that your business happens to reside in an area that is zoned R12, which according to our staff, that zoning does not allow for business. How long have you operated your business at 820 Primrose Lane?”

Mr. McNeil responded: “Mr. Taylor, when I went into business, I came to the city and asked for permission to do this. I didn’t just walk in there and put a business in there. According to what I know, home occupations business allows me to do a flower shop at my house. So, I don’t know where you got your information from.” Mr. Taylor said from GIS services, as well as our planning board—zoning.

Mr. Taylor continued his remarks to Mr. McNeil: “You have operated this florist through cash and check transactions. We have florists in our community paying tax--both property and sales, which are being assessed a business privilege license because it supplies flowers to many and several prominent churches and funeral homes. How much are you going to pay since this is a home-based business? The question I have for staff, your honor and Mr. Manager, how have we identified home-based businesses?”

City Manager Hegwer said that he could not answer that right now. He said that we have a staff working through all those details. He said that if council wanted to talk about the details, he would suggest that we could have staff available at a Law & Finance meeting with the information. Mr. McNeil said that one way to identify home-based businesses is by state sales tax that they have to pay.

Mr. Taylor asked how we deal with artists, people conducting monthly yard sales, vendors. Have we included vendors in that list? He said he had not heard that vendors who service the City of Sanford were sent the same packet that citizens in our community were sent. “How do we deal with internet companies, door-to-door sales people? We currently have businesses that pay multiple taxes—how do we assess multiple taxes? We have businesses located in special tax districts—how can they continue to be taxed even more? What have we done to foster and stimulate business in our community, in the Latino community, in the Afro-American community? We have one of the highest unemployment rates in the state at 5.8 percent. In January, nearly 1,500 people were seeking jobs. Our current national average is 4.8 percent. These figures do not include recent layoffs that have hit our county. We have businesses that will lose money, and we continue to tax them. As you can see, we have a lot of questions. This policy was bad from the outset, and it is just as bad today.”

City Manager Hegwer explained that as those packets have gone out, we are gathering information on companies, and staff is working on situations that have come up with gray areas. He said staff may come back to this board for some clarity. Mr. Hegwer said the plan was well-thought out, but that you learn more about the ordinance and how it is applied to each company.

Mr. Stone said, “That was the whole reason to oppose the privilege tax—because it allows us to exempt people. That is what is going to happen next year. You are going to see four councilmen or five councilmen come in here and exempt a certain party or certain group because of who they are. What is fair about that? That’s politics and the good old boys. That’s not fair

for the community at all. So, that's what we are getting at briefly to come back to you next year to tell you who we're going to exempt and not going to exempt from paying the tax, so we can make it even more corrupt, in my opinion."

Council Member Brewer said he would like to address a few issues Mr. Taylor had brought up: "Two years ago when I got on this board, my first retreat, we went down to Southern Pines and we talked about all the challenges our city had and where we were going to get the revenue from. Mayor, you were there. It was your first one as mayor and we had a lot of challenges. The talk was about possibly having to raise the tax rate. We've been working very hard to not raise the tax rate and find alternate sources of income for the challenges that will be put on our city. Most of the challenges are coming from the commercial area. Mr. Taylor brings up the fund balance. I was told then that we needed to have a very strong fund balance when it came time to get a bond for our new sewer plant. That would be \$70 million; that the stronger your fund balance and the higher your credit rating, the cheaper your interest would be. One eighth of a percent is a million and a half dollars on a twenty-five year note, give or take a few bucks on a twenty-five year loan. That's a lot of money. One quarter percent would be \$3 million on a \$70 million. That's just the difference in your credit rating. The city is not hoarding money; this council doesn't want to hoard money. This council is looking at ways to gage the future, plan for the future, and get this city ready for the future just like people did thirty years ago because we are the only people who had water and other people didn't. Some hard decisions had to be made. I respect Mr. Taylor's position, Mr. Stone, and Mr. Martin's. We went over a lot of issues eight months ago. Nothing he is saying is new. I know how much people have to pay. I have listened to people. There are a lot of people who are for this that are homeowners that are tired of paying property tax. They want to see it go another way. I hear people say. 'Oh, you'll never drop the property tax.' I sure hope we can. I want to. I think we can do it with this board. I think that a privilege license will grow. Most other city's have this; they've worked through the ins and outs of it, and they use it as a way to generate revenue—millions of dollars, some cities. So this is not something to take lightly. I can't see it going up and being exempt here and exempt there. You may feel that way, Mr. Stone, and you're very welcomed to your opinion. I just don't see that. You talk about who pays taxes—the reason the state exempts some people is the amount of licenses they pay to the state that the city receives a portion of. My restaurant pays DENR for the privilege of getting your restaurant inspected. You pay the state; the state gives the money to the county. Then you have to pay grease trap. That's more money to the city. As Mike says, there is a ton of licenses to pay. This is not perfect. There's a \$500 exemption on this for the small businessman. That means if you sell \$500,000, you pay \$50--\$50. If you live in Ward 1, and we drop the tax rate a penny, there's your \$50 almost. If you're a big box store, you're going to pay us \$80,000 give or take some. That's a heck of a trade because we can lower your property tax if we do some hard work, put our nose to the grindstone, which is what I hope we can do and collect money and not miss the growth from the big boxes that are coming because they are the ones putting the strain on us. When you come from outside the City of Sanford and you go to Wal-Mart, you pull in there and you have a wreck out in the front, the police department from the city and the fire department from the city go and not one dime is paid by the person that had the wreck. It's your tax dollars that's doing it, if you live in the city. If you don't live in the city, you're just getting the benefits. Yes, there's sales tax money out there, but we still need more revenue to grow. The city is a service-based business; it is a business. And until you decide what services you want to cut, it takes revenue. Times are

tough. Gas prices are going up and those trucks the city has—it costs more for them to run also. So, I haven't taken this lightly and I don't think anybody on this board has. And I'm not angry that other board members brought this back up. They perfectly have a right to do so. It is a difference of opinion on how you think you should generate revenue for the future. That's all I have, Mayor."

Council Member Taylor said that the business privilege tax in 2007 was passed under the premise of either a property tax increase or the business privilege license going into place. He said that municipalities in Wake County had raised property taxes each of the last five years after putting the privilege license tax in place. He said that the Institute of Government commented in their book that those who administer the privilege tax must resign themselves to its many inequities and curiosities and trust that the General Assembly will either remedy the shortcomings or replace the tax with another source of revenue. Mr. Taylor said that the Chapel Hill-Carboro Chamber of Commerce referred to this tax as being convoluted, archaic, and unfair. Mr. Taylor asked, "What can we do now? We, as a governing body, must demonstrate to effect change, we need to be servants. We serve the people of this city; we serve the businesses of this city; we must be trustworthy; we must be honest, and we must be receptive to the voice of the people that we represent. The time is now to correct the wrong doings that this tax has levied against the businesses that made up the core of what our city is. Each one of us is accountable for our actions. We must not lose sight that we are not above reproach. In the last couple of weeks, I've heard that the businesses should pay for the privilege of doing business in this community. Maybe tonight, the city council should adopt a tax on the wages of our city council members. Why can't we be taxed on the privilege of serving the people of this city? After all, this is the very same thing that businesses do everyday in our community. In conclusion, as identified tonight, we have elected officials who are passing policies that they don't adhere to themselves. How can we expect anything from others that we're not willing to do ourselves?" He ended with a quote from Margaret Chase Smith about public service.

Mayor Pro Tem Martin commented that he had listened to all the discussion today and was pleasantly pleased about the amount of work that Mr. Taylor and Mr. Stone had put in on this. He also applauded his other colleagues for the amount of work that they have done on this issue. The one thing that he said he hoped hasn't happened, but he had heard that it might have happened, is that we might have stepped a little bit out of the professional line of realm. Though he hopes it wasn't, Mr. Martin said that if that comment was made to Mr. Williams, maybe we stepped over the line saying someone would be thrown out of office on how they vote. Mr. Martin feels council has come a long way, and he said he appreciated Mr. Brewer's comments back to Mr. Taylor. He feels the board is getting to the point where they can work together on delicate issues regardless of the outcome. He says that everybody on the board keeps saying that we've got big times ahead of us, and we do. He said the one thing we can't do is get mired down in politics and start taking personal platforms and holding grudges because if we do, he could think of several boards in the past that had several stalemates and the city and the county suffered because of it. He said he was proud to say that the city has not been like that in a number of years. He feels nobody will be served properly if we fall into that disrepair. He thanked colleagues for their professionalism tonight. He said that regardless of how the vote goes, we move on and shake hands at the end of the meeting, and we continue working on the best interest of the city.

Mayor Olive stated that the vote would have to be taken and then return to public comment after the vote has been taken. On the motion to repeal the privilege tax, the motion failed by a vote of three to four, with Council Members Walter McNeil, Linwood Mann, Steve Brewer, and James Williams casting dissenting votes. Mayor Pro Tem Joe Martin and Council Members Stone and Taylor voted in favor of repealing the business privilege license tax.

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

**PUBLIC COMMENT-** (Exhibit F)

Ken Laughinghouse of 305 Hawkins Avenue spoke. He mentioned that he opposed any property tax increase.

Dallas Woodhouse of 917 Tanworth (not a resident of Sanford/Lee County, but city not listed) spoke. He identified himself as the state director of Americans for Prosperity and said there were about a hundred members present who came to express their support for repeal of the tax. He asked council to remember that the cost to comply with this tax is high. It is a lot of paperwork and intimate information that he did not know if it should be at the purview of the city council, if it isn't necessary.

Lloyd Jennings of 678 Chelsea said he was disappointed in the way the vote went. He says it is a horrendous and unfair tax. From the discussion tonight, he said it was clear council was completely unprepared to implement the tax and he says it will be even more unfair than he had originally thought. He did not feel property taxes would be lowered as a result of this tax because they had not been in other locations. "Rest assured we will be around," he said.

Jim Pitts signed up to speak, but did not appear to speak. Richard Littiken, Chairman of the Lee County Republican Party, said that Mr. Pitts yielded his time to Richard Buchanan, who did not sign up to speak. Mayor Olive allowed Mr. Buchanan to speak.

Richard S. Buchanan, Jr., owner of Angie's Breakfast Barn at 1221 N. Horner Boulevard, spoke. He said that he got it straight from Mr. Brewer that the city is a business and had said other cities are doing this. He thought that sounded like a "bunch of young'uns." He said he had previously spoken to them about working with what you've got like all the small businesses have to do. He feels that the council did not care or did not listen. He said that the amount the tax would raise would only be six-tenths of 01 percent of the city budget and that any legitimate business can save six-tenths of 01 percent. He felt the city could get rid of a lot of waste, such as the amount the council spent in New Orleans on food. He does not feel that this is right. He said he had pulled his fifth 100 on his health inspection. He said they have worked really hard for what they have, and he feels that council doesn't mind sitting up there taxing them. He said that obviously the new city manager wasn't doing his job because he felt he could figure out six tenths of 01 percent.

Beverly Basden of 1503 Woodland Avenue spoke. She identified herself as an attorney who is exempt from this tax and she is happy about that, but the people she deals with are not.

She said that she is concerned more than anything about the council not moving the public comment period before the vote was taken since there were people present to talk. She said this is a tax that hurts the people who do right. She said that if you do your business right; if you file the appropriate forms; if you pay your taxes, you get taxed more. If you're somebody who's doing it out of your home, putting your cash in your pocket—one more tax that they don't have to pay. The ones who do it right are getting tired because they can't support everything. She said it concerns her that there was a mailing sent out to those who were exempt. She asked how much that mailing cost. She said it was waste and they were taxing to do more waste. She said that still the thing that bothers her the most is that she pays her taxes—property taxes and city taxes and council did not care to listen.

Randy Todd, who owns a business at 919 S. Horner Boulevard, spoke. He said that if this is a business and there is something in this business that is not making a profit, you should cut it. He said, "If that golf course can't make a profit, it should be shut down, liquidated; that land could be turned into luxury home sites and I guarantee you, you'll get more money out of taxes off of property taxes than you will out of running that golf course. More money. Less work. Sounds like a good idea to me." He said that if the special interest groups around this city who are getting money from the city can't pay for their stuff, special interest groups should pay for their own selves. He said he shouldn't have to do it; he isn't taking part in it. There should not be privileges for special interest groups. He said, "It is our money, not your money. By the time we finish paying all of our taxes, from the federal right on down to the dogcatcher, we are probably paying half of what we make in taxes, and you all want to give us another one. We don't need another tax. The more taxes that you raise, more than likely people are going to vote you out of office because we can't stand it anymore. There is a time to stop. There is a time to say these people really don't need this anymore; they're going under because we want to put another tax on them. It is about time that you quit. If you don't quit taxing everybody, the businesses won't be here; if the businesses aren't here, the people won't be here. We're going to be living in a ghost town. Quit taxing us to death."

Richard Littiken, of 314 Rhynewood Drive, spoke. He said that he had heard tonight that council might be lowering property taxes and he heard a council member bring it up and it wasn't passed for discussion. He says he thinks that shows what the four votes against repealing the privilege tax think about lowering property taxes and they are not going to do it. He said that he thinks everybody who shops at Lowe's needs to go into the manager and let him know that they don't appreciate that their employee is taxing them in their business even if they don't make a profit. If they go out there, buy the Lowe's products, go to somebody's house, make a mistake and don't make any profit and they still got to pay a tax to Mr. Mann. They need to discuss that with his manager. He said he hoped that Mr. Mann remembered he did not have the majority of the votes this election. He had less than the majority. Because of the city council's rules, a plurality allows him to win with four votes. More people voted against him in his district than voted for him and the privilege tax was the main issue. Both of his opponents opposed the privilege tax. Speaking to Mr. Williams, Mr. Littiken said, "Mr. Williams, I'm not sure what Mr. Taylor may or may not have said to you, but I can assure you that you best have your best game on." (Mr. Williams said, "Bring it on.") Mr. Littiken continued, "Mrs. Wright, her business, and her two friends the election she lost, I think she got around 40 percent; I hope they help you out too." (Mr. Williams said, "You don't scare me buddy.")

Mayor Olive instructed Mr. Littiken that the city's policy for public comment said that statements should be directed to the council as a whole, and not to individuals. Mr. Littiken said that the discussion got so interesting that he failed to finish reading the instructions (Public Comment Policy). He said he appreciated the time and the three people on the board for standing up for small business. He said he encouraged everyone to vote in the next election cycle.

Jay Childress, of 1509 Cranberry Lane, spoke. He said that he was there earlier discussing this tax. He said it is obvious to him that it is an unfair tax. He said, "The city manager said himself that he cannot answer about home-based businesses, but he will come back to the city council for clarity on other businesses. Right there, it says that the person in charge of the fiscal city doesn't know that much about the tax. One city council member said that you don't pay a tax either referring to another council member. They are wrong. You pay it; I pay it; everybody on this board pays it because every time we go to shop at a store, we are paying for that business privilege tax because they are passing it on." Mr. Childress said he was exempt and he didn't have to pay it directly, but he would indirectly. He said it is not a perfect tax because it is picking and choosing who you want to tax. It needs to be repealed. He said the big box stores pay far more in taxes than the one or two calls a month that the fire department may go out because they are paying sales tax too. He said the money the city has banked in its fund balance would more than support a property tax decrease of two or three percent which was shot down in this meeting, as well. This was a mockery tonight because the public gets to speak after the votes have already been cast. Mr. Childress said, "I can tell you that for a lot of you city council members come next election, you are going to have opponents."

Poly Cohen, of 1908 Larkspur Drive, spoke. He identified himself as CEO of Lee Iron and Metal on South Horner Boulevard. He said it would cost him \$2,500 for this tax, but at least he has a limit on it; some people don't. He said in his business when they make money, they are lucky; when they don't, they just struggle. This tax is hurting people and is not fair. He is all for fair tax, saying that property taxes are fair even if people don't like them. He said he owns three pieces of property in Sanford and pays a lot of taxes. He thanked Mr. Childress for bringing up the matter of having the people speak after the vote. He has never seen that happen. He asked what was the cost to the city for implementing that tax. He said the amount they would collect is a miniscule amount and taxes would have to be raised to take care of the essentials necessary for the city. He is willing to pay taxes, but this tax is unfair.

### **OTHER BUSINESS**

Council Member Stone thanked everyone for coming out tonight; he appreciated everyone taking a stand and expressing themselves when they came up. He said that earlier in the meeting, he had tried to make a motion to lower property taxes and he was denied, but he said that at the next meeting he would be asking for a \$.02 property tax reduction in compliance to equal out the privilege tax so we can make the city more accountable in its daily operations.

Council Member Taylor thanked everyone who came tonight to support the repeal. He said he respected colleagues to vote and express their opinion through their vote. He encouraged everyone to come to meetings because they would hear the discussions on stewardship. He said it was very important that they engage in government because government is engaging in their

businesses. Mr. Taylor said, "Whether you like it or not, we all face the consequences of our decisions." He thanked Tim Shaw for redoing the asphalt on Bragg Street for a complaint he had received from someone on Clearwater Drive. Mr. Taylor said, "Thank you for being here; thank you for your support; continue to keep us in your prayers and your thoughts; and it is a pleasure to serve each one of you, and I mean that."

**ADJOURNMENT**

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

Respectfully submitted,

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CORNELIA P. OLIVE, MAYOR

ATTEST:

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BONNIE D. WHITE, CITY CLERK