

**LAW AND FINANCE MEETING**  
**December 10, 2008**

The Law and Finance Committee met on Wednesday, December 10, 2008, at 1:00 P.M. in the Council Chambers at City Hall. The following people were present:

Present:

Law and Finance Committee:

Mayor Cornelia P. Olive	Council Member Mike Stone
Mayor Pro Tem Joseph E. Martin	Council Member James G. Williams
Council Member Walter H. McNeil, Jr.	Council Member Charles Taylor
Council Member Steve Brewer	Council Member Linwood Mann (Mr. Mann Arrived at 1:05 P.M.)
City Manager Hal Hegwer	City Attorney Susan Patterson
Deputy City Clerk Janice Cox	
City Staff	

Absent:

City Clerk Bonnie White

Mayor Cornelia Olive called the meeting to order.

Consider Taxicab Operators' License Renewals 2009 – (Exhibit A)

Sgt. Harold Layton of the Investigative Division of the Sanford Police Department explained that there are three taxicab companies that have applied for renewal of their operators' licenses. All three companies are owned and operated by Lois Fleming Transportation, Inc. and will operate out of a business located at 307 South Gulf Street in Sanford.

Service Cab has requested to operate seven taxicabs. The vehicle colors are white with black letters. There are two currently in use and they have passed inspection. American Yellow Cab requested to operate seven taxicabs. The vehicles are yellow with black letters. Only one is currently operating and it passed inspection. A second vehicle is in the process of being put into operation and will be inspected at a later date. Pronto Taxi requested to operate six taxicabs. Currently one taxicab is operational and it passed inspection. The vehicles are blue with black letters.

Sgt. Layton conducted a criminal background check on the owner. No violations of law were found that would prevent the listed owner from being issued a taxicab license to operate a taxicab company within the Sanford City Limits.

Council Member Mike Stone asked about the cabs posting their licenses where they would be visible to customers, or having a visible identification card. He also thought that random checks would be a good idea. Sgt. Layton said the drivers had identification and are supposed to keep them visible. They are checked to be sure they still have their licenses. Council Member Steve Brewer said it would be a good idea to talk to the owner because he sees a lot of taxicabs come to his business and he never sees any identification. Sgt. Layton said he would take care of that. Mr. Stone requested police to make random checks.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2008-2009—(Exhibit B)

City Manager Hal Hegwer explained that this ordinance is for funds received from a wrecked vehicle in the Police Department in the amount of \$27,563 which includes the vehicle and some equipment. This ordinance budgets the money received from insurance for the upcoming purchase of some vehicles for the police department. Mr. Hegwer verified for Council Member Taylor that no additional cars would be purchased, but this money applied to a replacement of the one lost. Responding to a question from Council Member Stone, Major Kevin Gray explained that this money is an insurance payment which was deposited into the General Fund and this ordinance places it where it can be used to purchase a vehicle or equipment. Mr. Stone asked how many cars were budgeted for this year. Major Gray said eleven marked patrol cars. There was one total loss of a car and equipment. That was a \$17,000 loss of equipment. He verified that only eleven cars would be bought, not twelve. Although eleven cars were budgeted, that did not include equipment which will be transferred from the old cars to the new cars. Finance Director Melissa Cardinali explained that the intent of this ordinance is to show that those funds were derived from insurance funds when Unit 110 was wrecked.

Consider Capital Project Ordinance – Rural Economic Development Center – Sewer Capital Project #2007-013-40401-107 – (Exhibit C)

Public Works Director Vic Czar explained that this item refers to the project discussed at the last council meeting involving the grant that Wal-Mart is helping the city to obtain to do some sewer rehabilitation. This ordinance will create the account needed to put the funds into, in order to proceed with the project.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2008-2009 – (Exhibit D)

Public Works Director Vic Czar explained that this ordinance moves the funds already budgeted for the local match for the sewer rehabilitation grant from the Utility Fund into a Capital Project account which will be created.

Consider Ordinance to Erect Stop Signs Within the City of Sanford Chapter 36, Traffic Code of Ordinances – (Exhibit E)

Public Works Director Vic Czar explained that a request for a four-way stop sign to be erected on Summitt Drive at the intersection with Vance Street was brought before Council. Council Member Charles Taylor said he had a consensus from the involved residents that there has been an increase in traffic on Vance Street following the erection of a four-way stop on Summit and Gulf Streets. He feels this request should go before Council for a vote.

Consider Ordinance to Erect Stop Signs Within the City of Sanford Chapter 36, Traffic Code of Ordinances – (Exhibit F)

Public Works Director Vic Czar said there is also a request to look at a four-way stop sign on North Steele Street at the intersection with Chisholm Street due to accidents and speed. Council Member Taylor said there were problems and they are trying to determine what the problems are—parking on the street, the trees. He said that Operations Manager Tim Shaw and Public Works Director Vic Czar had spoken to the residents and they seem to understand what

the problems are with stopping. Mr. Czar explained that there seemed to be a site distance issue at Steele and Chisholm. If you are on Chisholm Street coming from Horner Boulevard, going toward Steele Street, you do have to stop in two different places to look in opposite directions just to get a good view of what is going on. There are some trees in the way that could probably be removed and address the issue. If you approach that intersection and look to your south, there is a property owner who would actually like some trees removed that Mr. Czar thinks would help the double stop. After those trees are removed, you will be able to stop at one spot and look in both directions and proceed. Looking in the other direction, Mr. Czar does not believe the property owner would like the trees removed, but Mr. Czar does think it would help improve the situation. Certainly, removing the ones going to the south would improve it by itself. If the Board wishes, Mr. Czar says the three trees can be removed and see what effect this has before we proceed further. Mr. Czar says the trees are of a fairly good size.

Mayor Pro Tem Martin suggested that maybe a four-way stop would take care of it. He would like to have the stop signs put up first before removing the trees. He says that on some streets if you take out the beautiful trees, you desecrate the road. Mr. Martin agrees that this spot is the worst spot going from Horner to Steele Street. Having a four-way stop would let the drivers know that everyone had to stop; it's not like you stop and start creeping out and suddenly someone is there. They will be stopped at the stop sign. He thinks that will take care of it. Council Member Stone said the four-way stops had been successful everywhere Council had put them. Council Member Brewer confirmed with Mr. Czar that the No Parking zone would be marked at the stop sign. Mayor Olive said that when people were parked on both Chisholm and Steele, it obscures the intersection, particularly on the north side.

Mr. Czar returned to the issue of the trees. He said there has been some property damage due to the trees. He said there are limbs the size of trees and some have fallen off. These trees are in the right of way. Mayor Pro Tem Martin said he hoped we didn't have to remove the trees, but if we have to remove them, maybe we can put another one back. Council Member Brewer said maybe they could we could get rid of some of the dead wood in them. Mr. Czar said they could look at that. Mayor Olive told about one situation where a tree had died in the right of way, and we sort of disowned it. The property owner was told he had to do something. Mayor Olive said she is always reluctant to use tax money for something because of a preference, but for safety, we certainly need to look at it.

Council Member Taylor asked if there were any concerns with the root structure of that tree impeding the street or sidewalks there. Mr. Czar responded that was always an issue; roots do get under the sidewalk and in the curb. There are maintenance issues associated with that. Mr. Czar said if it is not an issue right now, it will happen. Mr. Taylor said that we need to do a good job of enforcing the four-way stops. He was interested in how many tickets had been issued at the other four-way stops due to non-compliance.

#### Presentation on Town of Cary's Grease Collection Pilot Program – (Exhibit G)

Public Works Administrator Laura Spivey gave a brief overview of Cary's two-month pilot grease program for all its residential solid waste customers. It is a curbside program primarily done through the holiday seasons when large amounts of cooking oil are used. The oil will be recycled through an environmentally friendly bio-fuel company. The pilot program ends

January 30, 2009. In this program, residents have to call their service center and ask for them to pick up the oil, curbside. They have to have at least a half a gallon of oil to put it out by the curb. Currently, they are getting about ten calls a day to get this oil picked up. They have an agreement with Triangle Bio-fuels out of Wilson who provide them with a 300 gallon container to put this oil in and they pick it up when it is about two-thirds full. There is a two to three day turnaround for them to bring a new tank. At this point, (since November 17), they have collected 137 gallons of oil. Oil must be in a sealed container and labeled "waste cooking oil." They are primarily trying this program to prevent sewer spills, but they are also doing it to get some of the waste out of their landfills and to help the bio-fuels company get more bio-fuels for their benefits and recycling. They think they will exceed their original goal of collecting 200 gallons of oil. They also have a motor oil curbside pick up.

Council Member Brewer said he would like to have a look at how we do the commercial grease trap program. He thinks some of the paperwork can be cut out of it and still have a viable program. Council Member Taylor asked if, as the next step, it would be possible to have conversation with the group out of Wilson to get a drum here and make it available to our local citizens. City Manager Hegwer said he thought we would watch Cary's program and see how successful it is and learn from them and then figure out a way to adapt the oil truck we are already using. Ms. Spivey did not find another North Carolina town doing curbside pickup, but Chatham County and Durham County have a centralized area for citizens to take grease or motor oil. Council Member Stone said we could set up something at our collection sites for people to dump their grease. Council Member Brewer said there are grease receptacles behind some of the restaurants. Mr. Taylor said that he didn't see any harm if no one is charging us for the service looking at an agreement where at least we provide drop off places for them to pick it up. Anytime we can minimize what is going in our sewer lines and take it out if it is causing problems, it is advantageous to look at it if it is not cost prohibitive. No cost is associated in this particular case. Mayor Olive said we can do what is pertinent to us. Mr. Hegwer said we needed to study it a little bit more.

Ms. Spivey provided Council with a flier (printed in both English and Spanish) that has gone out in two water billing cycles for citizens connected to city sewer with information about not disposing of grease inappropriately.

Consider Ordinance to Amend the City of Sanford Code of Ordinances, Chapter 16, Environment, Article II. Nuisances Section §16-33 – (Exhibit H)

City Attorney Patterson explained that Council had a request to address barbed wire fences within the city limits. This is a proposed ordinance for Council to amend the ordinance dealing with nuisances and to declare it unlawful to have barbed wire, razor wire, and concertina wire or high voltage electric wire on any fences on a residential lot. These could be dangerous to neighbors or children or firefighters or police. This ordinance would be placed under nuisances.

Mayor Pro Tem Martin asked what this would do to the barbed wire that is already up. Attorney Patterson explained that because this is a general ordinance, it would grandfather in that which is already there. If we had addressed it in zoning, we could have asked them to amortize and bring into compliance fencing.

Council Member Brewer said there are cities that have zone specifications for types of fences that can be allowed. He said his ward (Ward I) does not want enclosed fencing of any kind in the front yard. He said that with all the neighborhood covenants gone, now is the time to line it up. We need to work on it very soon. Mr. Brewer said he had noticed it in several areas of the city—some five to six foot fences, some with rolled barbed wire; it is more prevalent in east Sanford. He said now is the time in his ward to protect his ward environment. Mr. Brewer is hoping for a zoning change to make the barbed wire have to come down. He said it sends a terrible signal to our citizens. If they are worried or scared in their homes, we can fix that problem; we are working on lighting now and more police presence. Mr. Stone says he hasn't seen any of this in West Lake. He said if the fencing is a crime issue, that can be addressed by community watch programs or greater police presence. If you don't solve that problem in east Sanford where it is really bad and fences continue to go up and people buy dogs because they don't feel safe, it will be in West Lake. He said that someone needs to knock on those doors and ask why they have those fences and ask what we can do to make east Sanford a safe and enjoyable place to live. Mr. Brewer said he understood, but that Ward 1 cannot wait for us to find out the answer in east Sanford.

Mayor Pro Tem Martin asked if this was something we wanted a public hearing on. Attorney Patterson said that the proposed ordinance was a general rule to apply throughout the city, not just to Ward 1. This ordinance is not written as a zoning ordinance. Assistant Director of Community Development Marshall Downey explained that Council had adopted an ordinance that would have gone into effect about a year and a half ago, but they discovered they were potentially creating more problems than they were solving. Mr. Downey said that the idea of basing it on zoning could be a challenge. The issue might be in the predominant zoning of R20 which is everywhere, not just in established neighborhoods. While people in established neighborhoods may be all right with it, the other areas might not be. Another approach might be to apply the rules to established subdivisions. Attorney Patterson said that might be a little difficult, but we might be able to do an overlay zone to encompass a certain portion of town. Mr. Martin said that people who bought into areas with covenants may be easy to accept the ordinance. Mr. Stone said if they agreed to it, the communities can govern themselves and not have to come before the board and have us pick and choose what part of town we are going to do what for. Mr. Downey said it would take 100 percent of residents to sign on to re-establish the covenants. The only other option is to come to the local government. He was not aware of any neighborhoods attempting to get such signatures. Council Member Walter McNeil pointed out that the situations in Ward 1 and in east Sanford are different. Most of the people in Ward 1 are property owners; in east Sanford you have absentee property owners and renters who don't dare.

Council Member Stone said he wanted all districts involved. Mr. Brewer responded that maybe we could get everyone's district and come up with a total plan for the city with the different overlays and different zones for what is acceptable and unacceptable in the different area and have a public hearing for the whole thing. Mr. Brewer asked Mr. Downey if he could come up with a plan. Mr. Downey said based on what he is hearing, the best solution goes back to the overlay district because you could take on a case-by-case basis and could be applied to anyone's ward. It could be driven by the people in the neighborhood. The other option could be to look at all the subdivisions. City Manager Hegwer said you might find that some people really like having a fence. It is not uncommon for people in the county to have fences in their

yards and it may not be due to safety. Mr. Hegwer said that we can have public hearings. Mr. Martin suggested neighborhood meetings. Mr. Downey said that typically they would notify them of the meeting and give them an amount of time to come and work with them and let them know what is going on.

Council Member Taylor asked about a definition for high voltage fences and asked if there was a need for voltage fences anywhere in Sanford. Attorney Patterson said that that language was in the ordinance because some people have low-voltage electric fences for pets—some underground and some enclosing. She said it can be taken out, but feels it is addressing an issue that could be a safety concern. Mr. Taylor was concerned about a specific definition for high voltage. Mr. Hegwer said we could define it and Attorney Patterson said the definition could be added to the ordinance. Community Development Director Bob Bridwell explained that high voltage is generally defined as something that could cause harm or injury. There is a voltage level to it, which is defined in the building code. Attorney Patterson pointed out that this is applicable only on residential lots, not to businesses or industries which are protecting their product by having a fenced-in area. Council Member Mann said that low voltage is 12 volts or less which is perfectly safe and won't hurt a child. Anything above that under certain circumstances could. He said that in some rural areas, residents put 110 volts on the fences. He, too, has observed that many newcomers are putting up chain-link fences around their yards. Mayor Olive said that the involved staff would come up with something for council to approve regarding the fencing issue.

#### Discussion of City's Policy Regarding Financing Utility Assessments

City Manager Hal Hegwer said that there had been some concern expressed at the last council meeting about the interest that we levy in terms of assessments for utility extensions. He explained that in the Utility Fund, whenever extensions are put in place, there's not an existing rate structure that accommodates the cost of running these utility extensions, be it water or sewer to a home. The Utility Fund is made up of rate payers—shareholders in a sense. Out of that Utility Fund we utilize revenue to pay for that infrastructure improvements into a neighborhood. We look for a reasonable rate of return for that investment. In the utility billing, there is not a rate structure set up in that bill to accommodate new infrastructure. So, it is an investment by those rate payers into that infrastructure. Once that is put in place, there is nothing that we would require that would make someone connect to the system. In essence, it is an investment and a decent rate of return on that investment is 4 percent. We charge 8 percent. There is about a 4 percent cost to manage loaning that money to put the new infrastructure in place. There are about ninety accounts that are paying off assessments with an unpaid balance of about \$145,000. There is cost associated with that. These accounts pay this back over ten years, and we have to track the cost and payback and many are turned over to legal for collection for delinquency or bankruptcy. Many times, we don't see any of that money in return. So there is an administrative cost, and we just tried to look at what it cost to administer this program a year. Last year, we feel that it cost us somewhere around \$11, 000 and we took in approximately \$14,000 of interest on those accounts. We feel that it is being subsidized now by the rate payers who are already on the water and sewer system. The rate can be lowered if Council wishes to do that, but the rate payers would be bearing more and more of that cost. There is nothing in that rate structure now to accommodate new capital expense that we put into the system. That is why the assessment is in place. Some cities extend utilities and make people tie on right then. We give people the

option to connect later, but we do require them to pay that assessment back. Mr. Hegwer said we could do whatever Council wants to do. An unsecured loan at the local banks is about 10.75 to 11 percent now. We do feel we are reasonable and fair and not even covering our costs. Mayor Pro Tem Martin mentioned that we had extended the four-year repayment schedule to allow customers to pay over ten years.

Council Member Stone wanted the rate set to be beneficial to our citizens with the rate charged comparable to the rate charged the airport on a loan. Mr. Hegwer re-emphasized that the reason we charge the way we do is that there is not revenue for paying for new extensions included in the Utility Fund. In essence, the person who has it extended is paying for it. Residents are not required to tie on once the service has been extended. It is not a money-making situation. Mr. Mann pointed out that they do not have to finance through the city. Mr. McNeil said most of the people who come to the City for financing cannot get the financing someplace else.

Consider Resolution to Participate in National League of Cities' Prescription Discount Card Program – (Exhibit I)

Planner II Karen Kennedy explained that Council Member Brewer brought her some information from the NLC conference about this prescription discount card program. The City of Sanford has gone through the first steps/application process to have this program through the NLC. We will be launching the program January 20, 2009. She informed Council that this is not an insurance program. It is a discount card which citizens of Sanford are eligible to receive by going through Ms. Kennedy or on line. It will help citizens get at least a 20 percent savings when used at participating pharmacies. It is mainly for people who do not have access to their own medical and prescription insurance or whose insurance won't cover the particular item. There is no cost to the city other than Ms. Kennedy's time in getting the information. She has a media kit, and she will give information to the local newspapers and radio stations, as well as put information on City's website and television channel to inform citizens how they can get the card and how to start using it. The program is administered by CVS Caremark, but the card is accepted by most of the pharmacies in Sanford. The City needs to pass a resolution in support of this program.

Council Member Brewer said that you will not save the same amount of money on every drug. There is no cost to the card holder to participate. Council Member Taylor asked if, in our resolution, we could refer to the company as Caremark instead of CVS Caremark to avoid the appearance of endorsing a pharmacy versus another pharmacy. Ms. Kennedy said that the paperwork and the media kit have to be approved. She said we could ask, but it must be approved through the CVS Caremark. We are serving as a marketing agent and any changes would have to be approved by them.

Discussion Involving Recognition of Becoming Playful City USA – (Exhibit J)

City Manager Hegwer explained that "Playful City USA" is a national recognition program that honors cities and towns across the nation committed to taking action for play. This idea evolved out of the City's emphasis toward pocket parks—an area we have not embraced and been involved with in the past. It is a fairly simple process to become a "Playful USA Community." You must create a local play commission task force; design an annual action plan

for play; conduct a play space audit of all publicly accessible play areas; identify current spending on capital projects and maintenance of play spaces; and proclaim and celebrate an annual "Play Day." There is nothing that requires you to spend on any park or play space; it is just an emphasis to look at what your assets are and a plan for including this concept. It actually evolved as a spin off of a program called KaBoom! which is a non-profit established years ago in Washington, D.C. As benefits, you receive highway signs, awards and special incentive opportunities in honor of Playful City USA status; are included in a national media campaign and are provided local media support; receive priority status in accessing all KaBoom! resources including playground builds, trainings, and grant opportunities; are given access to online resources and communication vehicles to keep connected to Playful City USA communities nationwide; and are recognized at national municipal leadership and recreation conferences, as well as at the National League of Cities.

Council Member Brewer explained that there are sixty-seven cities in the U. S. designated as Playful Cities now. This allows someone who moves new to a community to pull up this site or Sanford's website and find a list of all our parks and information about age appropriateness and facilities available at each park. It puts emphasis on play, where you can play, what kind of play is there, and lets citizens rate and comment on the parks. This company can recommend types of play equipment and help with grants and lend technical assistance in building playgrounds. Council Member Stone remarked that their five requirements will be the easiest thing Council accomplishes all year. Mr. Hegwer added that it encourages kids to play again, getting away from television, etc. Mayor Pro Tem Martin suggested getting Lee County Director of Parks and Recreation John Payne or someone from his staff on this task force.

#### Discussion of Pocket Parks

City Manager Hegwer discussed that Council Member Stone had suggested looking at another pocket park. Leftover from the two pocket parks which have been installed, we have \$17,000 budgeted for pocket parks. Mr. Stone said they had looked for space in the Carr Creek area. General Services Director Tim Shaw reported that they had looked at the entire subdivision of Carr Creek and had identified an area for a possible pocket park. He has contacted the owner of the property, but he has not had a response from him. In further study, he believes the area needs a community park, and he is in discussion with Coty about the possible donation of a piece of property right on Mt. Pisgah Church Road at the entrance to Carr Creek subdivision. This would be more community oriented than just subdivision oriented. Mr. Shaw said they might need a chain-link fence installed and a minimal parking lot and that would need a driveway permit from DOT. Mayor Pro Tem Martin expressed how proud he is of our pocket parks and how they are used. Mr. Hegwer said this would be pursued and it would come back to Council.

Mr. Shaw said new benches for the Sunset Drive Park have been ordered. He expects them to arrive within four weeks. Mr. Brewer said investing in these parks could well be a gang prevention tool. Mr. Shaw gave an update as to plans for the Rev. Martin Luther King, Jr. memorial. Crews should be cleaning the property in a few days. Mr. Hegwer said this is a community project, not just a city project.

Consider Development Report – (Exhibit K)

Assistant Community Development Director Marshall Downey gave an update on new development as shown on Exhibit K.

Closed Session

City Attorney Susan Patterson entertained a motion to go into closed session in accordance with North Carolina General Statute 143-318.11(a)(5) to instruct the public body staff or negotiating agents concerning the position to be taken in a contract for the acquisition of real property. Council Member McNeil made the motion to go into closed session; seconded by Council Member Brewer the motion passed unanimously.

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

Adjournment

Having no further business to come before the Law and Finance Committee, the meeting was adjourned upon the motion of Council Member Steve Brewer; seconded by Council Member Charles Taylor, the motion carried unanimously.

Respectfully submitted,

---

Cornelia P. Olive, Mayor

---

Janice Cox, Deputy City Clerk