

**MINUTES OF CLOSED SESSION  
CITY COUNCIL – CITY OF SANFORD  
October 11, 2006**

Upon a motion duly made, seconded, and carried in the October 11, 2006, open session of the Law and Finance Committee meeting, the Council went into closed session in accordance with N.C.G.S. 143-318.11(a)(3), to consult with the attorney employed to preserve the attorney-client privilege.

The following people were present in the closed session:

City Council:

Mayor Pro Tem Walter H. McNeil, Jr.	Council Member Michael Stone
Council Member Linwood S. Mann, Sr.	Council Member Dan Harrington
Council Member Stephen Brewer	Council Member Joseph Martin
Council Member James G. Williams	City Clerk Bonnie D. White
City Manager Leonard O. Barefoot	City Attorney Susan C. Patterson
Public Works Director Larry Thomas	City Engineer Vic Czar
Financial Services Director Melissa Cardinali	

Absent:

Mayor Cornelia Olive

Mayor Pro Tem McNeil called the closed session meeting to order.

Public Works Director Larry Thomas displayed a map showing the U. S. Highway 421 area coming into Sanford from Greensboro, Cool Springs Road, Glenwood Subdivision, and areas that are undeveloped with no sewer available in that vicinity. Mr. Thomas showed an area that Albert Adcock owns that he is going to develop that was annexed last year. At that time, he was going to install a lift station and the plans have been approved.

Terry Slate and Jim Bost, who own property above the development, want sewer to their properties. They also want to install a lift station. Mr. Thomas advised that it cost the City \$35,000 each year to maintain a lift station. Staff sat down with Mr. Bost, Mr. Slate, and Mr. Adcock to figure out a way to eliminate the lift stations and extend the sewer outfall line to their properties. Mr. Adcock would like to start selling his lots in April 2007 and is going to have to design the utilities.

Staff sat down with the parties and came up with a workable solution to extend sewer and eliminate the lift stations. Albert Adcock is willing to contribute \$272,000 (price to build lift station), and Slate and Bost are willing to contribute \$630,000 (Slate \$563,000 and Bost \$67,000) which is also the cost to build a lift station to their properties. The City would contribute \$200,000, which totals \$1,102,000; this would be close to what is estimated to extend the sewer outfall line and in return, would open up a large area for sewer. Adcock, Slate and Bost would give rights-of-way to the city at no cost. The City would have to condemn other properties involved to extend the sewer.

Mr. Thomas stated that Slate and Bost will put up 20 percent of their costs on Friday, and Adcock will put up a bond for 20 percent. Mr. Barefoot added that Council will need to authorize staff to proceed with the City's part of the work when we receive the deposits in hand on Friday. When bids are received and the City decides to go with the project, Slate and Bost will put up their remaining 80 percent

and Mr. Adcock will pay 100 percent of his part and the City will return his bond of 20 percent. Mr. Thomas felt that the \$1,102,000 was a good estimate of what it would cost to extend the outfall line.

Mr. Thomas stated that in order to recoup the money the City is spending on the project, staff came up with a proposal that the City would charge property owners with 10 acres or more \$1,000 per acre to connect to the system until the City is reimbursed for its share. Mayor Pro Tem Walter McNeil, Council Members Joseph Martin and Linwood Mann felt that we should continue to charge the residents after the City's portion was recouped because it would not be fair to the citizens who paid for sewer connections; it would not be treating citizens fairly. Mr. Thomas said that the City could charge the customers after the money is recouped. He added that Mr. Adcock had a surveyor, Thomas Matthews, who would be ready to start now.

Mr. Thomas stated that the following would apply to the project:

1. Any participating property owners involved in this project will sign the necessary rights-of-way agreements at no cost to the project.
2. The City will be reimbursed its cost by charging property owners of 10 acres or more not involved in this project \$1,000 per acre to connect to the system until the City is reimbursed for its share.
3. Twenty percent of the contributions must be submitted to the City prior to start of design.
4. The remaining 80 percent of contributions must be submitted prior to bid award.
5. The City will manage project and use power of condemnation.
6. The City will have authority to negotiate with proper owners for rights-of-way.
7. The City will maintain records for all costs associated with this project.
8. Adcock can opt out by April 1, 2007, if commitment is not made to build the line by that time and Adcock can proceed with the lift pump and force main to service their subdivision and receive a return of its deposit.
9. If it is determined at the time bids are received that the cost of the project is higher than the \$1,102,000, the parties can opt out.
10. If the project is less than the \$1,102,000, the parties will share proportionally to their contribution any savings.

Council gave its consensus for staff to proceed forward with the project, directed staff to use the power of condemnation, and authorized the mayor and appropriate staff to execute any necessary contracts.

Council Member Joseph Martin made the motion to go out of closed session and back into regular session. Seconded by Council Member Steve Brewer, the motion carried unanimously.

Respectfully submitted,

---

Walter H. McNeil, Mayor Pro Tem

---

Bonnie D. White, City Clerk

Closed Session  
October 11, 2006