

LAW AND FINANCE MEETING

Wednesday, October 14, 2009,
1:00 P.M.

The Law and Finance Committee met on Wednesday, October 14, 2009, at 1:00 P.M., in the Council Chambers at City Hall. The following people were present:

Law and Finance Committee:

Mayor Pro Tem Joseph E. Martin	Council Member Mike Stone
Council Member Walter McNeil, Jr.	Council Member Charles Taylor
Council Member James Williams	Council Member Steve Brewer
Council Member Linwood Mann	City Clerk Bonnie D. White
City Manager Hal Hegwer	City Attorney Susan Patterson
City Staff	

Absent:

Mayor Cornelia P. Olive

Consider Resolution Authorizing Installment Purchase Financing for City Hall Improvements – (Exhibit A)

Financial Services Director Melissa Cardinali explained that this resolution instructs the finance director to secure installment purchase financing bids for the project that was in this year's budget to renovate City Hall in the amount of \$350,000. Because this project involves renovations to real estate, it has to be approved by the Local Government Commission (LGC) and this process is going to take about sixty days to get through everything. Staff is looking at bringing installment finance bids and construction bids to Council around the first of December and, hopefully, the LGC will approve the project around the first of the year.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2009-2010 – (Exhibit B)

Financial Services Director Melissa Cardinali explained that this ordinance reappropriates the 2006 and 2007 Police JAG Grants in the Police Department totaling \$4,424 to this year. It appropriates \$38,349 from some insurance funds received for lightning damage at City Hall to the Public Building Department.

Consider Award of Bid for Combination Jet Rodder Sewer Cleaner – (Exhibit C)

Sewer Construction and Maintenance Superintendent Fedd Walker advised that in this year's budget \$325,000 was appropriated for replacement of its ten-year sewer vac truck. The truck is starting to have an increase in maintenance cost and becoming unreliable. The City prepared the specifications and followed the appropriate advertisement to receive bids on September 28. Three bids were received and Public Works Equipment and Supply, Inc., submitted the low bid of \$313,350. The review of the bid met all specifications. Staff has dealt with this company in the past, as the current truck that the City has is from the same company. The other two bidders were located in Alabama and Virginia. Public Works Equipment and Supply are from Monroe, North Carolina.

Consider Supplement Utility Agreement with NC DOT for the 421 Bypass Project – (Exhibit D)

City Engineer Paul Weeks stated that the NC Department of Transportation is scheduled to open bids for the southern portion of U. S. Highway 421 Bypass in December of this year. One of the things staff has been working with the DOT on is relocation of the City's utilities. In May of this year, the City entered into an agreement with DOT to relocate certain utilities that were in their way in that area. Since that time, we have identified another utility that needs to be addressed with this particular contract, which is the basis for this supplemental agreement.

Mr. Weeks explained that the Carr Creek Pump Station force main runs up Cox Maddox Road. When the DOT builds their road, it will put about 40 feet of fill on top of our force main. Staff believes it would be a good investment to have DOT to install encasement pipe in the event we need to replace our force main. Like any other utility, eventually you have to replace it or repair it. Because this particular section of force main is under 40 feet of fill, that repair would be very problematic. This agreement allows the DOT contractor to install that encasement pipe for the City for use in the future. At this time, the estimated cost is \$129,750. That estimate will probably change once the bids are in and the pipe is actually installed.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2009-2010 – (Exhibit E)

City Engineer Paul Weeks explained that this ordinance amends the budget to transfer \$129,750 from Contingency to Sewer Capital for the above project with the Department of Transportation.

Consider Update on Ban of Materials from Landfills

Refuse Superintendent Larry Craig updated Council on recent bans of materials from the landfills. He stated that during the 2005 Legislative Session, the N.C. General Assembly passed House Bill 1465 banning plastic bottles, oil filters and pallets from landfills beginning October 1, 2009. This disposal ban recognized that the recovery of these materials will contribute to the state's environmental and economic development goals. Enforcement of the disposal bans will chiefly be applied at disposal facilities such as landfills and transfer stations by the N.C. Division of Waste Management. It is unlikely that enforcement will take place at individual businesses or other generating facilities. The law does allow for accidental or occasional disposal of small amounts of banned materials. In banning oil filters from disposal, HB1465 placed no obligation on local governments to start oil filter recycling programs.

Oil filters, pallets and plastic bottles join a list of previously banned materials and other items (computer equipment and televisions) with disposal ban dates approaching on January 1, 2011. Mr. Craig said that he has had recent conversations with Joe Cherry, Solid Waste Superintendent for Lee County, about the possibility of working together on the disposal of TV's and computers. The Lee County Landfill will currently take monitors, CPU, printers, Fax and copiers from City residents for a nominal fee.

In talking with Mr. Cherry, he stated that city residents can take oil, kerosene, diesel fuel, hydraulic fluids, and transmission fluids to the County's convenience centers. They will also accept cooking oil, but it must be in a separate container and labeled. They will not accept oil filters due to the cost of disposal.

Private garages, auto repair shops and “quick lubes” will be expected to adhere to the oil filter disposal ban. Nobel Oil is currently picking up the County’s oil filters at a cost of \$75 - \$77 range per 55-gallon drum of oil filters. They will not accept oil filters from City residents but will take the oil.

Plastic bottles should be put in City residents recycle bin along with their other recyclables. North Carolinians currently only recycle 18 percent of PET plastic bottles. City residents with pallets should place them by the curb alongside their limbs for pickup. We will grind the pallets when we have a contractor come in to grind our brush. Staff can again provide guidance to commercial establishments as to disposal facilities for their pallets.

The Waste Management transfer station will no longer take Creosote posts or large cross-ties. We will have to stockpile these and periodically haul them to the Uwharrie landfill in Troy, or to the Sampson County landfill.

Mr. Craig reminded the public that this upcoming weekend, city and county residents can dispose of household hazardous waste at the Civic Center from 9 A.M. until 1 P.M., on Saturday, October 16. You need to label the materials.

He informed Council that Laura Spivey is working on a short, recycling video for the City’s television station about recycling and ban of materials from landfills. He added that residents get frustrated with several phone books being delivered to their mailbox each year. There is a website (www.yellowpagesoptout.com) if you want to get off the list.

Council Member Taylor suggested tagging the rollout carts with the information on recycling and utilize water billing to get this information out also. Mr. Craig stated that he received an email stating that DENR is making a sticker for the garbage carts that list what you do not put in the cart.

Design Presentation of Administration Building at the Wastewater Treatment Plant – (Exhibit F)

City Engineer Vic Czar explained that the City is undertaking a large project to expand the wastewater treatment facility in preparation for the future to have wastewater capacity for the next twenty years. One of the things they are excited about with the expansion is that they are going to need a new administration building. The new administration building is required because when we expand, the lab and maintenance facilities have to expand. They need room for the administration staff. Mr. Czar stated that Mr. Bill Russell, with Hazen and Sawyer, is here to talk to Council about the building and the function of the building. Staff gave Hazen and Sawyer some goals that the City is trying to reach with the construction. When a potential industry visits the facility, they are always curious about what our facility is like and we need to make a strong presentation to them showing our commitment to the fact that we are here and concerned about the environment. This building will also be used by civic groups.

Mr. Czar stated that the security needs to be improved. This new administration building will be up front and no one will be able to get onto the plant without somebody knowing that you are there. Staff also asked Hazen & Sawyer to address sustainability. Mr. Czar added that staff

had a group of City employees (Public Works, Engineering, and Planning staff) to look at several designs that Hazen and Sawyer presented.

Mr. Bill Russell, with Hazen and Sawyer, gave an overview of the proposed administration building as listed on Exhibit F. It is a one-story building. A training room is proposed for staff because now they have to go off-site. He stated that the lobby room and control room are in alignment. By being in the control room, you can look through the lobby and out to the road in front or look out the back at the wastewater treatment plant property. They will be utilizing some recycled content materials such as the geothermal heat pump system. They will be using some reuse water for irrigation purposes around the building. The building will be fully accessible for someone with disabilities. The cost of the building is estimated at \$1,020,000 for 5,000 square feet of space.

Mr. Russell concluded his remarks by saying that they tried to provide a building with a sustainable design; an entrance that invites and increases the security of the facility; reduced utility costs through the use of efficient building systems; demonstrate reuse water for landscaping; on-site training in the building, and the building will be accessible to the community at large.

Discussion of Plan for East Sanford Revitalization – (Exhibit G)

Community Development Director Bob Bridwell presented Council with an East Sanford Strategies Plan for the future. He said some of the plans will cost a lot of money. Some strategies are longer term than others and some represent immediate action. Staff felt they needed to define what East Sanford is and to many people, East Sanford is where they grew up. Staff defined East Sanford as that area east of Downtown, east of Weatherspoon Street to the north, San-Lee Drive; Scott Avenue; and Bragg Street to the east, U. S. Highway 421 and Horner Boulevard to the south; Railroad Street; South Moore Street, and Wilson Street to the west.

Mr. Bridwell advised that the City has done many things over the years that have kept this area from deteriorating such as code enforcement, zoning enforcement, community development, and housing. Staff believes that to make these neighborhoods move forward, investments need to take place and things need to be done with a proactive approach. According to the 2009 Census, East Sanford contains around 2,400 people. There is a lot of rental property in this area.

Mr. Bridwell stated that most of the homes are thirty years and older and a good many of them are 50 years and over, which affords us some opportunities as there are a number of historical structures.

Planner II Elizabeth Whitmore stated that there are a lot of homes that date from the 1880s. Many of these homes qualify for the National Register because they are more than 50 years old. We do have a grant which has been sent out to bid to determine which company will go forward with a survey for the proposed nominations to the National Register. When that happens, it opens those homes to tax credits for improvements for both non-income producing and income producing properties within that area. She added that we need to partner with Preservation North Carolina with the potential of it acquiring some of the older homes.

Mr. Bridwell spoke about code enforcement and its role in East Sanford. They spend a lot of time on nuisance abatements such as overgrown lots, trash, junk cars, and fencing. He spoke about the boarding houses with multiple families in them and parking in the front yards.

Mr. Bridwell stated that the Third Street warehouses are in the process of being torn down. The concrete pads are even going to be removed and the area is going to be landscaped. He added that this would be an area that could be promoted for a village concept.

Community Development Manager Karen Kennedy spoke about some grants staff has been working on. A grant was turned in a couple of weeks ago regarding the Maple Avenue project that has a combination of housing activities and infrastructure. The projects that staff is going to be able to submit grant applications on are going to be small. They are looking at every grant opportunity they can such as scattered site rehab or concentrated need projects; however, we are having a hard time receiving the funds for the competitive nature of the grants that are out there.

Mr. Bridwell talked about incentives. He said that the best way for public money to be utilized is to leverage private investment. One of the things staff has done is they have looked at what types of programs other communities have been using in their communities. Downtown Executive Director David Montgomery explained that they have gone and visited several sites. Goldsboro has the most progressive strategy in North Carolina. He spoke about the historic tax credits for non-income producing properties which is a 30 percent state tax credit. For income producing properties, primarily commercial and rental property, there is a 20 percent state credit and 20 percent federal credit; you have to spend more money on these properties. City infrastructure is also an incentive to a private entrepreneur. In Hickory, they have landscaping and community appearance grants and vacant building revitalization grants which are primarily for commercial properties. Mr. Montgomery stated that they are funded from the City's general fund for these specific projects. In Smithfield and Clayton, they have a tax abatement for investment on commercial properties (basically in their downtown district). If a developer comes in and wants to make a large investment in revitalizing or restoring a building, they take the baseline of what the taxes would be on that building before the investment is made. Once the improvements are made, the difference between pre-investment and after investment is calculated and that tax is granted back to the property owner. He pays the taxes in full; whatever that difference is before investment and after investment is granted back by the city over a five-year period. After the fifth year, the full tax amount is assessed. Smithfield does it completely for every five years. For Clayton, it is a percentage – for the first three years it is 100 percent; the fourth year is 75 percent; and the fifth year is 50 percent.

In Goldsboro, they do a Donation and Acquisition of Historic Properties through a stabilization revolving fund. They allocate about \$125,000 and created a stabilization revolving fund. They buy historic properties that are on the verge of falling apart, stabilize it, and then they resell it. Whatever they put it in, goes back into the stabilization fund. The remaining amount is split between PNC (their partner in this) and the City. PNC gets 75 percent and the City gets 25 percent. The City puts this money back in the revolving loan fund. They also have a program called Donation/Acquisition of Vacant Land for Infill. They look at opportunities or new development through infill, whether it is vacant property or property they want to demolish.

They donate it to Self-Help, a partner with them who does new development. Staff feels this is a good example for Council. Our partner could be Brick Capital CDC, Habitat for Humanity, or Sanford Housing Authority. They promote home ownership by helping with down payment assistance for people buying in that district. Mr. Montgomery thought the down payment assistance can be up to \$5,000 to help in closing costs.

Council Member Stone asked to put this issue back on the agenda for December because he wants this project to go forward.

Consider Update on Dr. Martin Luther King Park

General Services Manager Tim Shaw informed Council that the park is moving slowly. They have obtained the final engineering drawings for the footings. He has talked with the concrete contractor and they will be able to start October 26. They are talking to other vendors regarding electrical, plumbing, lighting, and brick masons to get them lined up to get it started and moving forward. Council Member Stone asked for an update each month.

Consider Governor's Highway Safety Grant – (Exhibit H)

Major Kevin Gray stated that the Police Department has been approved for a grant through the Governor's Highway Safety Program in the amount of \$19,900. There are no matching funds required to receive the grant. The funds will be used to purchase equipment for checking stations for Click It and Ticket and Booze-It and Lose It. They want to buy a generator and a trailer to put the generator on, lights, traffic cones, vests, signs and equipment to assist the officers to do the assignments the Governor's Highway Safety Program requires them to do.

Proposed Meeting Schedule – (Exhibit I)

City Manager Hal Hegwer presented Council Members with a proposed meeting schedule for October, November, and December due to the forthcoming holidays and municipal elections. He asked Council Members to look it over and we will talk about it Tuesday night.

Other Business

Mayor Pro Tem Joseph Martin thanked Council Member Mike Stone for the work he did with the Downtown group and Police Department and Council Member Steve Brewer for the number of years he has worked with Downtown. He thanked each Council Member and Mayor Olive for everything they bring to the Council.

He said that he wanted to publicly apologize to Council Member Charles Taylor for the humor he invoked at the last meeting during one of his points of conversation.

Council Member Brewer stated that the Jubi-Lee Festival at Depot Park was a success and the Family Day Event at the airport was a huge success.

Council Member Taylor said that he did not want to rehash the events that transpired last week but he did want to address a couple of things. In reflection and thought after last week's meeting and he was not here to condemn or condone any of those actions, but he was reminded of some important words that Mr. Mann spoke on July 15 when Council Member Martin

announced that he was not going to pursue another term. The statement was “it is a sad day and it is sad that politics is as stupid and as low as it has.” He was not pointing fingers and he felt things can be handled one-on-one, but it is very disconcerting and disheartening that things are being said by different people. He was reminded of a statement made by Geoffrey Chaucer in the late 1300s, “Whose house is of glass must not throw stones at another.” The events that have gone on over the last two years are very disconcerting and disheartening. He said that before he was elected he was the subject of emails going to City employees. He is reminded of our level of service we have, not only to each other, but to our citizens that we serve. On a personal note in the last month or so, he is making the biggest decision in his life, and to have statements by other councilmen regarding his worthiness of marriage is very disheartening and hurtful. Mr. Taylor said that he was not going to get into who said it or what was said, but he felt they knew who he was referring to. He said that he wanted to conclude with one basic thing regarding his remarks; we need to be more judicious in our remarks, not only as staff, but to one another, and we need to practice more discernment. Mr. Taylor stated that regarding his remarks at the last meeting regarding prostitution in the Market and Chatham Street areas, he encouraged council to ride over to Market Street to talk to some of the residents to see what is going on over in that community.

Mr. Taylor said that it seems like our meetings are lasting a short period of time, but the meetings after the meeting are lasting 30 to 45 minutes where you have groups of four to five people on the City Council that are talking. He wanted to make sure we are not violating any laws because we need to be as transparent to our citizens as possible. It is very clear that we do not need to take action after the meeting, but during the meeting.

Closed Session

City Attorney Susan Patterson stated a motion is needed to go into closed session in accordance with N.C.G.S. 143-318.11(a)(3) to consult with the attorney employed or retained by the public body in order to preserve the attorney-client privilege. So moved by Council Member Mike Stone and seconded by Council Member James Williams, the motion carried unanimously.

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

Return to Regular Session and Adjournment

Having no further business to come before the Law & Finance Committee, the meeting was adjourned upon the motion of Council Member James Williams; seconded by Council Member Mike Stone, the motion carried unanimously.

Respectfully submitted,

Cornelia P. Olive, Mayor

Bonnie D. White, City Clerk

