MINUTES OF CLOSED SESSION
Law & Finance Committee of the City Council
City of Sanford—July 30, 2008

Upon a motion duly made, seconded, and carried in the July 30, 2008 open session of the Law and Finance Committee of the City Council, the Council went into closed session in accordance with N.C.G.S. 143-318.11(a)(3) to consult with an attorney employed by the municipality to preserve the attorney-client privilege.

The following people were present in the closed session:

Law and Finance Committee:
Mayor Cornelia Olive
Mayor Pro Tem Joe Martin
Council Member Linwood Mann
Council Member Charles Taylor
Council Member Steve Brewer
Council Member Mike Stone
Council Member James G. Williams
Council Member Walter H. McNeil, Jr.
Council Member Hal Hegwer
City Attorney Susan C. Patterson
Deputy City Clerk Janice Cox
City Engineer Vic Czar

Absent:
City Clerk Bonnie D. White

Mayor Olive called the meeting to order.

Discussion on Sewer Main Back Up Event at True Gospel Church

Due to a grease buildup in the sewer main, the True Gospel Church had a sewer back-up which flooded a portion of the church. The North Carolina League of Municipalities did not find the City of Sanford liable and denied the church's insurance claim.

City Engineer Vic Czar indicated that overflows due to infiltration and inflow are not situations the City would cover.

There was discussion concerning whether the church was negligent by not installing a backflow prevention valve; places in Sanford where similar occurrences were possible; the possibility of setting a precedent if city pays; the possibility of setting policy versus going with the League's decision; whether to help the church to the extent of our insurance deductible; policies of some other cities; the extent of the damage and inconvenience to the church; the fact that the City is the business and the church is a paying customer; the moral issues; placing some educational messages on water bills to

help prevent clogs in the system; whether or not to pay up to $17,000 for church damages not covered by their insurance; and the fact that even backflow prevention valves can clog and also need to be maintained.

Following the discussion, Council Member Linwood Mann made the motion to pay the True Gospel Church up to $17,000 for damages; have the church to sign a release; and to require that they install a backflow prevention valve. Seconded by Council Member Steve Brewer, the motion passed unanimously.

Discussion was held regarding the need for a policy to address future issues such as these.

Adjournment

Council Member Steve Brewer made the motion to go back to regular session; seconded by Council Member Linwood Mann, Council unanimously agreed to return to regular session.

Respectfully submitted,

Cornelia P. Olive, Mayor

Janice Cox, Deputy City Clerk

Approved and adopted in closed session on January 14, 2009.