

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, January 5, 2010, at 7:00 P.M. The following people were present:

Mayor Cornelia P. Olive	Council Member Linwood S. Mann, Sr.
Mayor Pro Tem Mike Stone	Council Member James G. Williams
Council Member Charles Taylor	Council Member Walter H. McNeil, Jr.
Council Member Sam Gaskins	Council Member L. I. (Poly) Cohen
City Manager Hal Hegwer	City Attorney Susan C. Patterson
City Clerk Bonnie D. White	

Mayor Olive called the meeting to order. Council Member Walter McNeil, Jr. delivered the invocation.

PUBLIC COMMENT

No citizens signed up to speak.

APPROVAL OF AGENDA

On motion of Council Member Sam Gaskins, seconded by Mayor Pro Tem Mike Stone, the agenda was approved.

CONSENT AGENDA

Approval of November 19, 2009, Joint Meeting of the City Council, Lee County Board of Commissioners, and the Town of Broadway Board of Commissioners with Lee County Economic Development Corporation – (Filed in Minute Book 72)

Approval of December 9, 2009, Law and Finance Committee Minutes – (Filed in Vault)

Approval of December 15, 2009, City Council Minutes – (Filed in Minute Book 73)

The consent agenda items were approved upon motion of Council Member Linwood Mann. Seconded by Council Member Charles Taylor, the motion carried unanimously.

DECISIONS ON PUBLIC HEARINGS

Petition by Donald R. Simpson - to rezone 8.45 acres +/- from the current Residential Mixed (R-12) Zoning District to General Commercial (C-2) Zoning District. This is one legal lot that is bisected by S. Third Street with 8.43 acres +/- located northeast of the intersection of S. Third Street & S. Horner Blvd. and to the rear of a shopping center addressed as 1801-1825 S. Horner Blvd., with 120 feet +/- of road frontage on S. Third Street and 0.02 of an acre +/- located on the opposite (west) side of S. Third Street, south of 1620 S. Third Street, with 36 feet +/- of road frontage on S. Third Street. The property is the same as depicted on Lee County Tax Map 9652.14, Tax Parcel 9652-34-2862 Lee County Land Records. The property is also the same as

the lot illustrated on “Survey for Donald R. Simpson” recorded in Plat Cabinet 9, Slide 95E, Lee County Registry of Deeds. – (Exhibit A)

Assistant Community Development Director Marshall Downey explained that the Planning Board discussed this petition and unanimously recommended to Council to approve the rezoning petition.

- Consider Ordinance Amending the Official Zoning Map of the City of Sanford, North Carolina – (Exhibit B)

Council Member L. I. (Poly) Cohen made the motion to adopt the Ordinance Amending the Official Zoning Map of the City of Sanford, North Carolina. Seconded by Mayor Pro Tem Mike Stone, the motion carried unanimously.

Petition by Roger W. Murchison & Carolyn J. Murchison - to rezone 1.39 acres +/- addressed as 1700 Westover Drive and 1603 Dogwood Acres Drive from the current Residential Single-family (R-20) Zoning District to General Commercial (C-2) Zoning District. The property is the same as depicted on Tax Map 9631.02, as Tax Parcels 9631-57-6248-00 and 9631-57-5168-00 Lee County Land Records. The property is also the same as Lots 10, 37, 38, 39 & 40 of Block A as illustrated on “Portion of Elva Bryan McIver Estate/Condor Farm” subdivision plat recorded in Plat Cabinet 2, Slide 733, Lee County Registry of Deeds. – (Exhibit C)

Assistant Community Development Director Marshall Downey explained that the Planning Board discussed this petition and recommended with a four to one vote to Council to approve the rezoning petition. Mr. Downey reminded Council that a valid protest petition was filed and a super majority vote in favor is required for this ordinance to pass.

Council Member Sam Gaskins stated that he met with Wayne Murchison and Dr. Ron Myers this afternoon with the understanding that he could not speak for the entire City Council, but in hopes that they could work out a plan that would satisfy the parties involved. All parties agreed that the property under consideration most appropriately would be zoned commercial. With the help of Planner II Amy McNeill and City Attorney Susan Patterson, it was determined that there are two types of conditional zoning, both of which require the site plan be provided. As this property is being offered for sale as is, conditional zoning is not an option for Mr. Murchison. General Commercial (C-2) zoning opens the property up for possibilities that could have a detrimental effect to the aesthetics of a major corridor entering Sanford and for the residential properties nearby. However, denying Mr. Murchison’s request would cause a one-year delay in the opportunity to rezone this property as C-2, regardless of ownership. Mr. Gaskins said that as much as it may help Mr. Murchison to market his property now, he commits his support to conditional zoning for a commercial buyer that would satisfy the aesthetics and noise concerns that the residents of Dogwood Acres have already expressed. He added that Dr. Myers committed his support to encourage withdrawal of the petition if necessary, should a buyer be found that would satisfy the current concerns.

- Consider Ordinance Amending the Official Zoning Map of the City of Sanford, North Carolina – (Exhibit D)

Mr. Gaskins said that to show good faith for potential buyers, he made the motion to table this request until March 16 to allow Mr. Murchison the opportunity to market the property

and still have the opportunity to withdraw his request, or preferably to allow a buyer to request conditional zoning. Seconded by Council Member Charles Taylor, the motion passed with a six to one vote in favor. Council Member Linwood Mann cast the dissenting vote.

REGULAR AGENDA

Scott Payne to Speak Regarding the HEARTS Organization

Scott Payne (16 years of age) and residing at 2516 Victory Drive, spoke regarding the HEARTS (Helping Everyone Around Recognize Their Sacrifices) Organization. Mr. Payne said that two months ago, his third period teacher, Ms. York, presented them with a minor program at school called "Adopt a Soldier." He thought about the idea for a while and created a new name for it (HEARTS Organization). After getting support from his teacher, Ms. Carolyn York and his friends, he gathered 300 names in support of the program. He said that he wants to make a difference. This would give kids that do not play sports the opportunity to get to know people who make a difference and to give back to the people/veterans that have given to them and keep them safe. This would give support to veterans that have never had their stories told who have come home from war zones and who have given their life everyday to make sure we have the blanket of freedom to sleep under. To hear the veterans' stories, it would teach kids the true sacrifices that are made and teach them that there are people who do care.

Mr. Payne asked for Council's endorsement of the program. He added that St. Stephens Catholic Church is going to let them use a room every Saturday for their meeting place. He has two veterans that are willing to tell their stories and he is going to record them. Mr. Payne stated that he is going to try and obtain a non-profit status in the future.

Council Member Taylor said that he has had the pleasure of watching Mr. Payne grow up and he appreciates his idea. Mr. Taylor pledged his support to him as a mentor in this regard and hopes he gets the message out to the public. Recording the veterans' stories would be great and it would be good to put them on the internet. This would show the sacrifice made by our soldiers and veterans. He said that 53 of the Bandits with our National Guard Group will be returning. The first group will be returning January 17 – 19 at Fort Benning and return here after six to eight days. Another group of 14 will be returning on the 28th. We are a military community.

Mayor Pro Tem Stone praised Mr. Payne for his efforts and for what he is trying to do. Mr. Stone made the motion for Council to support Mr. Payne's vision in a positive way. Seconded by Council Member Walter McNeil, Jr., the motion carried unanimously. Mayor Olive praised him for his delivery of his program.

Consider Ordinance to Repeal Privilege License Tax Ordinance and Replace the Revenue with Fund Balance – (Exhibit E)

Council Member Sam Gaskins made the motion to repeal the business privilege tax. Council Member Charles Taylor seconded the motion. City Attorney Susan Patterson stated that to clarify the motion, it is to repeal the business privilege license tax ordinance and replace the revenue with fund balance effective with the 2009-2010 revenue year in accordance with the ordinance in council's packet. Both Council Members concurred.

City Manager Hal Hegwer stated that for the public's information, this repeals the business privilege tax license but it does not repeal the other license requirements for itinerant merchant's license and beer and wine license, and others. Attorney Patterson added taxicab licenses, massage parlors license, and other licenses which are required by other ordinances.

Mr. Gaskins stated that there are some things he thought ought to be brought forward that are in question. For year ending June 30, 2009, the general fund revenue was \$62,000 above budget; investment income (even though drastically reduced) was \$52,000 above budget; the ad valorem taxes were \$412,000 above budget; the expenses from the general fund were \$2.5 million below budget; the general fund balance is approximately \$14 million; the available fund balance is nearly \$11 million - that designated for our 2009 - 2010 is \$925,000 of that. During the past year, the reduction to the fund balance included a loan to the airport of \$337,000; a pension fund of a one-time payment of \$893,000; from 2008-2009, the expenditures were reduced by 11 percent; the outstanding debt was reduced by \$3.5 million; the increased net assets of the City were \$5.5 million; separately from this entirely we see that the revenue from the utility fund was \$989,000 above budget while expenses were \$2.4 million below budget; for this current year, we have already found that the budget for the City Hall improvements which were \$350,000 came in with projected costs of \$275,000; and the debt service that was for this current year is \$58,333; so the amount needed from the fund balance is almost \$217,000, but we have already realized an effective savings of over \$130,000. Keynesian Economics indicates that budget surpluses are used to fight inflation but need to be reduced or eliminated to reduce unemployment. Even Milton Friedman agreed that government should not remove money from the public in recessionary periods. Mr. Gaskins said that as he mentioned previously, with unemployment in Lee County above 14 percent, this is not the time to build surpluses through taxation.

Mayor Olive added that the general public needs to know that this does not mean an automatic property tax increase which has been rumored.

Council Member Charles Taylor said that he hopes we will go through our current vendor base that the City has been dealing with. He brought this up at the last meeting. The City has vendors that have paid the taxes in the City of Sanford that are not conducting business with the City, and we have vendors that have not paid the tax that are getting business with the City. He felt we should make sure we are recovering taxes from those vendors. A perfect example is the recent Christmas luncheon that was catered by a vendor that had not paid the tax.

Council Member Williams explained that the City received some stimulus/grant money to hire four new police officers. His understanding is that we received enough money to pay their salaries for three years and down the road, the City will have to assume that debt if we decide to keep those four police officers. With the growth that the City is experiencing, the City is going to need a new fire station down the road. His thinking is that you prepare for war in times of peace; so, the monies that we are saving will help offset some of that cost. If it goes away, when the time arises we are going to need that money to come from somewhere and that is the reason he is in favor of keeping the business privilege license. A lot of the big box stores use the City services if there are shoplifters and accidents, and they tend to need a few more services than the average small business.

Mayor Pro Tem Stone commented that the number one argument that he has heard over the last number of years regarding the business privilege tax is the fact that it discriminated. Some people pay more; some people pay none, some by booth, and some by chair. Even the State of North Carolina is currently going through the process of deciding what is fair or not. This original legislation was written in the 1930s, and we all know how backwards it was in the 1930s. He is glad that in 2009, we can think forward as a local government. The most important thing he wants to remember from this is that it is easy to put a tax on, but you see what it takes to take one off. No one wants to let go of the money once you get it and that is the reason it needs to be carefully reviewed before you add it. This is an emotional subject all through the process. Mr. Stone thanked Mr. Gaskins because the *Sanford Herald* quoted him as not knowing, or not being prepared in their Sunday paper. He added that he has not met a council member that was more prepared tonight with his facts and figures about the City budget and he commended Mr. Gaskins for being two months into this process and being so prepared.

A vote was taken and the vote was four to three in favor of repealing the business privilege license tax ordinance and replace the revenue with fund balance effective with the 2009-2010 revenue year in accordance with the ordinance. Voting in favor to repeal the business privilege license tax were Mayor Pro Tem Mike Stone, Council Members Sam Gaskins, Charles Taylor, and L. I. (Poly) Cohen. Council Members casting the dissenting votes were Walter McNeil, Jr., James Williams, and Linwood Mann.

- Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2009-2010 – (Exhibit F)
Council Member Sam Gaskins made the motion to adopt the Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2009-2010. Mayor Pro Tem Mike Stone seconded the motion. The motion carried six to one with Council Member Linwood Mann casting the dissenting vote.

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

City Engineer Paul Weeks explained that in 2007 staff submitted to the Rural Economic Center a project in the amount of \$1,025,000 to make some improvements to our sewer system. Rural Center awarded us \$500,000 in grant money, which the City's portion of that project would be \$525,000. When the accounts were set up, the project was set up in the amount of \$1 million, which is \$25,000 short of the project budget and what was included in the grant application to the Rural Center. The ordinance below appropriates the \$25,000 necessary for the project.

Council Member James Williams made the motion to adopt the Capital Project Amendment – Rural Economic Development Center Sewer Capital Project #2007-013-40401-107. Seconded by Council Member Walter McNeil, Jr., the motion carried unanimously.

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

City Engineer Paul Weeks explained that this ordinance transfer \$25,000 from Contingency to the project above – improvements to sewer system.

Council Member Charles Taylor made the motion to adopt the Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2009-2010. Seconded by Council Member James Williams, the motion carried unanimously.

Consider Preliminary Plat for Woodsdale Subdivision, Phase 2 (4 lots) – (Exhibit I)

Assistant Community Development Director Marshall Downey explained that this is a preliminary plat for Woodsdale Subdivision. It is a four-lot expansion to an existing subdivision that was approved in 1972. It is a 25-lot residential subdivision that is in the City's ETJ located off of Bragg Street. This subdivision is on City water, but has private septic systems.

The developer is Albert Adcock and the engineer is Steven Mullins, who was present in the audience to answer questions. There is no floodplain and it is not located in any overlay districts and meets the standards for the R-6 district. The preliminary plat went through the Technical Review Committee and met all requirements.

Mayor Pro Tem Stone said that he understands it is only four lots and he is familiar with the subdivision. However, he is concerned that staff did not bring it back to Council earlier. Staff knew about it in October and he found out about it Friday. He did not see anything major but he would like to have known about it. He stated that these items should come through Law and Finance for a brief update.

Council Member L. I. (Poly) Cohen made the motion to accept the preliminary plat for Woodsdale Subdivision, Phase 2 (4 lots). Seconded by Mayor Pro Tem Mike Stone, the motion carried unanimously.

Consider Development Report – (Exhibit J)

Community Development Director Bob Bridwell gave an update of commercial zoning and site plan approvals.

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

OTHER BUSINESS

Mayor Pro Tem Mike Stone stated that he wants to place on the next Law and Finance agenda to discuss the sewer problem (smell) at Highway 78. He said a lot of people blame the mobile home park but it is not their fault, it is the City's.

Council Member Sam Gaskins thanked City Manager Hal Hegwer, City Clerk Bonnie White, and Financial Services Director Melissa Cardinali. He said that contrary to the reports in the *Sanford Herald*, Mr. Hegwer and Ms. White provided him with the Comprehensive Annual Financial Report for the City of Sanford and several other reports almost immediately after the election, two months ago. At that time, they informed him that Mrs. Cardinali would soon have the results for year ending June 30, 2009, and they would have those reports to him as soon as they become available. True to their word and prior to his having taking office over a month ago, he had received the Annual Operating Budget for Fiscal Year 2009-2010; the Comprehensive Annual Financial Report for year ending June 30, 2008; the Comprehensive

Annual Financial Report for year ending June 30, 2009; the fiscal results summary for Fiscal Year ending June 30, 2009; departmental budget summaries for Public Works and General Services consolidated budget fund summaries from 2005 to 2010; privilege license receipt data; the auditor's report to the City Council; the auditor's results for the 2009 financial statement audits; the City of Sanford budget report for the quarter ending September 30, 2009; and the information regarding the savings to be realized from the lower cost and the debt service on the City Hall improvements. In Sunday's edition of the *Sanford Herald*, they suggested that no due diligence had been done. Any confusion in this matter could have been handled with a simple telephone call. Any lack of due diligence is on the part of the *Sanford Herald*. Mr. Gaskins stated that he has the same published telephone number that he has had for over 25 years. The *Herald* not only had the opportunity to call before their first article in which they suggested he had not received any financial reports, but they had over two weeks from their first publication to Sunday's publication to attempt to contact him. With no attempt to obtain his input, it appeared that the *Sanford Herald* has relied on creative writing. He said that real journalists with real newspapers can lose their jobs for creative writing. Jayson Blair was fired from the *New York Times* for supplanting creative writing for honest work. The only attempt to contact him by any member of the Herald staff occurred at 5:15 P.M. on Saturday night. It seemed strange that the article in the Herald states that the four Councilmen who voted for the taxes repealed did not respond to requests for comment on this story in time for publication. When he received a phone call on Saturday night regarding an article to be printed in Durham and to be delivered to homes early on Sunday morning, it would appear that there was no intent whatsoever for him to be able to respond in time for this publication.

Council Member Charles Taylor thanked Council Member Gaskins for his diligence in working with the parties on the public hearing and trying to work out an amiable response. He hoped we can try to look at planning something to welcome back our soldiers when they come back in February.

Mayor Olive mentioned that the City Council will be hosting a groundbreaking for the Endor Iron Furnace Greenway Trail on January 29, 2010, at 2:00 P.M.

Mayor Olive reminded everyone to search their closets for any coats, gloves, or warm clothing to get to our thrift stores to share with others that can use them.

Mayor Olive thanked Tim Shaw and his crew for knocking down the icicles at the overpass on South Horner Boulevard to prevent someone from having a wreck.

City Manager Hal Hegwer announced that the City Council will be holding a special-called meeting on Wednesday, January 13, 2010, at 1:00 P.M., in the Council Chambers, to discuss an economic development incentive. The Law and Finance Committee meeting will be held immediately following the City Council meeting.

Mayor Olive reminded the public that we will be having a three-day retreat to study what will be coming up in the next fiscal year. If the public has any ideas about projects that need to be undertaken in Sanford to make us a better place to live, to contact their council member and let them know what you think so it can be brought up for discussion.

ADJOURNMENT

With no further business to come before the council, the meeting was adjourned on motion of Council Member James Williams; seconded by Mayor Pro Tem Mike Stone, the motion carried unanimously.

Respectfully submitted,

CORNELIA P. OLIVE, MAYOR

ATTEST:

BONNIE D. WHITE, CITY CLERK