

LAW AND FINANCE MEETING

Wednesday, January 27, 2010

1:00 P.M.

The Law and Finance Committee met on Wednesday, January 27, 2010, at 1:00 P.M., in the Council Chambers at City Hall. The following people were present:

Law and Finance Committee:

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

Consider Comments from Edith Edmond of the Employment Security Commission on the Unemployment Situation in Lee County – (Exhibit A)

Edith Edmond, Manager of the Employment Security Commission in Sanford and Siler City, and Director of Lee County Job Link Career Center, which provides approximately twenty services and an array of agencies to provide services for our citizens that are related to employment and training, spoke to Council regarding the unemployment in Sanford and Lee County.

Ms. Edmond spoke about the unemployment rates in North Carolina for the month of November 2009. The national rate is 9.4 percent unemployment; North Carolina, unadjusted is 10.4 percent; Lee County is 13.6 percent; City of Sanford is 12.7 percent; Chatham County is 7.5 percent; and Harnett County is 11.0 percent. Historically, Lee County's unemployment rates average between 5.4 and 5.7 percent. In May 2008, our rates consistently starting climbing as the economy slowed and more workers lost their jobs. The trend continued through March 2009 with a slight decline and leveled off and started to decrease in September, October, and November 2009. It looks like the trend will continue where it will either hold or continue to slowly decline for Lee County. There are over 250,000 people in North Carolina unemployed. During 2008 and 2009 years, many local manufacturers retooled and upgraded their processes. As a result of that, they no longer needed as many low-skilled workers, so those workers were separated and resulted in our unemployment rates climbing as the economy slowed.

The economy is changing in Lee County from almost 90 percent manufacturing and is diversifying. You are seeing more service industry, such as motels, hotels, and fast-food restaurants. Forty percent of all the new jobs that will be created in the next three to ten years will be in the service industry. We have to look at those industries in a different way. Those are steps into a job; for example, fast-foods. They hear every day that they are not going to flip burgers. Ms. Edmond said that flipping burgers has a great number of skills that are included in that fast-food position. For example, if you operate a cash register, often fast-food restaurants turn over as much cash as many banks or financial institutions on a day. So if you want to be a teller, that is a good way to start because they will often hire those people as tellers. She added that in contrast to what the public is hearing on the news, employers are hiring. PCC AirFolds,

3-M, Community College, Sanford Food Mart, Pilgrim's Pride (hires over forty people each month); Lowes, Pfizer, RBC are some businesses in Lee County that are hiring.

Ms. Edmond discussed programs available for former felons and veterans. She answered questions by council members regarding BRAC.

Consider Resolution Authorizing Towing Companies Within the Sanford City Limits to Raise Towing Fees and Approving Towing Contracts Between the City of Sanford and the Towing Company - (Exhibit B)

Police Major Kevin Gray explained that the City has always regulated towing businesses by contract, mostly to regulate the fees they charge for vehicles they tow at the request of the City. The fees have not been raised since the late 80s and 90s. Several towing companies have requested a raise in the contract fees. They asked the companies what they normally charge for towing if a citizen calls to have their car picked up. The companies gave them a set fee and staff averaged it out, so the fees before Council is an average of what they all charge.

Council Member Taylor asked if we had any conversation with the insurance companies to see what they would compensate for towing. Major Gray replied they did not. Council Member Gaskins asked if staff checked with AAA to see what is allocated for towing. Major Gray said that they averaged out the fees charged. Council Member Williams said that most insurance companies put towing and labor together. If the towing company can fix your car for less than the tow invoice, then they normally do that. Fees range anywhere from \$50 to \$250. Major Gray stated that we only had one company to be towed by AAA and they were hard to get up with. You had to call a toll-free number; they contacted the towing company and sometimes it took two to three hours to get the wrecker to the site. If somebody requests AAA, staff will do that; other than that, they use the regular rotation if the vehicle is blocking the road. This is the rotation cycle for traffic accidents and vehicles broken down that block the roadways. City Manager Hegwer stated that the key is to protect the public so they are not charged outrageous fees.

Council Member Mike Stone said that last year at this particular time, we had an abundance of people wanting to tow. He is concerned that it is a 100 percent increase in the fees and we just had Ms. Edmond here telling us how many jobs are available. He does not know how it will affect the insurance rate when he has people trying to get jobs and now they are going to have to pay more possibly in insurance to get a car towed. He would probably be more remissed to do it had we not have an abundance of people begging to tow. He said that two years ago, they made the comment about the towing companies not cleaning up after the wreck and there were several places all over town you could go and find parts of bumpers, etc. on the road. He said he can still ride somewhere and see parts of cars laying everywhere, all over the road. He is concerned in this economy to think about a 100 percent increase for anything especially when there is an abundance to do it.

Major Gray said that they have checked with towing companies in four different counties; three did not respond but Salisbury replied and they are charging more than what is being requested. Mr. Stone said that Lee County is the second or third highest insurance district

in the state when it comes to automobile insurance; it concerns him how the increase will affect that and he does not want to be number one.

Major Gray said that some cities do not regulate fees; they just let whoever they want to pickup the cars. The Highway Patrol does not regulate the fees; they have the towing companies to fill out a contract and whatever fees they want on the contract. The contracts are sent to Raleigh to the Highway Patrol Headquarters and someone approves it or does not approve it.

Council Member Charles Taylor asked how many calls have been received where towing was initiated. Major Gray replied he does not know off-hand. Mr. Taylor said that he would like to see the numbers because he would like to see how much what dollar value is assessed to this issue. Major Gray replied that he will get the information to Council.

Mayor Pro Tem Mike Stone stated that it is interesting that they break the City ordinance and then we go out and reward them by giving them a 100 percent increase. Anybody that breaks the ordinance should be taken off the list; there should not be an exception.

Consider Ordinance Authorizing Participation in the Urban Archery Season Within the City of Sanford City Limits – (Exhibit C)

City Attorney Susan Patterson advised that as staff understands it, Council has received requests from citizens regarding interest in the City having an extended urban archery deer season. Council directed staff to investigate and look into what other cities are doing. Many towns regulate urban archery with many different regulations. Staff's approach was to allow it to happen here as Council asked. This is an additional deer season when deer could be hunted with bow and arrow. You have to request the Wildlife Commission to allow us to have this extended urban archery season by April 1 of the year before you are going to do it. If we were to adopt this, it would go into effect January 2011. Different towns have approached it in different ways. Some have a public hearing or public input into the matter; some ask for professional hunters only. Currently, you cannot hunt on City property; you cannot discharge a weapon in the City limits. This would allow participation in the extended urban archery season in accordance with the State law for the season beginning 2011 and would continue until such time we told them we did not want to participate anymore. Hunting would only be allowed on private property. Hunters would have to have written permission within their possession dated within one year from the landowners to hunt on their property. Hunting by bow and arrow only would be allowed; you would have to follow all laws and regulations pertaining to hunting deer and the use of firearms is not allowed, only archery. You could not hunt on City property because we currently have ordinances prohibiting that or from across or on the right-of-way of any road; there is currently a state law on that. This would direct the city manager to contact the Wildlife Commission to request that the extended archery season be allowed, if Council so chooses. One thing Council will have to decide is where you want to allow the season to happen. You are required to submit a map showing where hunting is allowed.

Attorney Patterson said it would not change anything we currently have but allow an extended season basically of six weeks in January and February. It would be published in the Wildlife Resources Commission material that Sanford is one of approximately ten towns who participate. Other towns we have checked who have this season have not really kept records or

tracked whether this meant hunters from outside the City residents come to that area to hunt, or whether it increases participation by non-residents. Pittsboro is one place that has quite a few regulations on hunting. There, you have to pass an archery skills proficiency test and there are quite a few different regulations that they put in place, and probably because it is so highly regulated, the majority of the hunters are non-residents in that area. The more you regulate it, the more you have to keep up with it and you have more liability for making sure that violations don't occur.

This ordinance is to allow this extended archery season if you choose to do so. The reason for the extended season is because the deer population is growing in urban areas; the number of motor vehicles accidents involving deer are on the increase; and you get complaints about gardens, ornamental plants, flowers and shrubs in residential areas being decimated by the proliferation of the deer. This was a method the state came up with through the Wildlife Commission to allow people to hunt deer with bow and arrow for a longer period of time.

Staff needs direction from Council as to how to proceed.

Mayor Olive said she felt that we should hold a public hearing on this before Council proceeds. Council Member Cohen felt the city manager should contact the county manager to see if they are interested in this also.

Mayor Pro Tem Mike Stone stated that we are not in the Eastern District when it comes to hunting with the North Carolina Department of Wildlife. The difference is if we were part of the Eastern District, gun season would come in a month early. Mr. Stone said that the State of North Carolina shows that more deer are killed in the smallest county by guns than the whole state by bows. With this information, we could solve a lot of our problems if we request Sanford to be put in the Eastern District, or tell the district we are in, to start gun season a month earlier. He would like for this Council to consider letting us talk with the Wildlife Commission, put it on the agenda to ask to be moved to the Eastern District, or for the district we are in to allow gun season a month earlier. We could still do the bow season in February as well.

Council Member Gaskins asked if there is a state law requiring them to be aiming downward so that we do not have to cover that and is there a way we can be assured that there won't be any archery for deer occurring while school buses are operating, picking up, and dropping off kids. If these are already laws, then we do not have to do anything.

City Manager Hegwer clarified if we need to hold a public hearing. He said that we started the framework very non-regulatory because if you start getting into testing people, it is more work for everybody and it may not be necessary. We will look into the two concerns that Mr. Gaskins has and he will check to see if the urban season is just for municipalities; he did not believe the county can be included in it but we will double check. It was the general consensus to hold a public hearing. Pittsboro's program is very highly regulated. Mr. Stone said that we need to find a resolution on this in February because if you do the gun season, they are going to want to have prior notice before they print out the tickets for gun season. He felt we should send a resolution to the county versus notifying and tell them what we want, and find out how

they feel to help us out. Mr. Hegwer said that he is not sure whether it needs to come from the county or the city to make the change for gun season.

Discussion Regarding Sidewalk Along Horner Boulevard

City Engineer Paul Weeks explained that last year staff was asked to look at some access concerns along Horner Boulevard on the sidewalk between CSX and Kentucky Fried Chicken. Staff reviewed it and came up with a list of items that could be corrected and on the November 10, 2009 meeting, presented an estimate to make those corrections. After some discussion, staff came away from that meeting with some direction. First, to see if our estimate included any long-range plan in this area so we did not come back in ten years and redo the work. Secondly, was to address an immediate concern. What staff had seen when viewing the sidewalk, is that some of the earth embankment had fallen down on the sidewalk, thereby, making it more difficult to pass. One of the recommendations was to see if we could shovel it up and clear up the sidewalk; crews did that. Where we stand today on this particular project, is to find out if the estimate put together falls in line with any long-range planning we have for that particular area. The estimate was \$52,000; \$50,000 would have taken some existing sidewalk that is only three-feet wide and made it five-feet wide; that is our current city policy. It would also have moved two utility poles which are in the middle of the sidewalk; at least in one case within a three-foot sidewalk, which makes it more difficult to pass. A third issue the \$50,000 would correct is there are two areas in that project area where the earth embankment had fallen down onto the sidewalk itself. In order to expand that sidewalk to five feet, that earth embankment had to move back-so there is a significant amount of money in there to move some of the soil to get that out of our way so we could put a five-foot sidewalk there.

Council Member Williams asked if we are going to put a wall up there from that happening again. Mr. Weeks replied that at the November 10, 2009 Council meeting, it was discussed that instead of putting a retaining wall up, another option was to take some earth moving equipment and pare back that wall. With a retaining wall, you have a lot of maintenance costs involved with it; if you would take that slope and lay it back so it can be mowed, it is much easier to maintain from that respect. Grass is much easier to take care of instead of a retaining wall. As staff proceeds through the project, staff may have to reconsider this point.

Mayor Pro Tem Stone said that he felt the question that came before Council was the \$50,000 for about 600 linear feet of sidewalk cleaning up. He thought they were looking for some type of sidewalk program to get into so we would know which direction we were going to go. At this time, he thought we were going to come back with Mr. Hegwer and see what he had planned to put in his budget for next year, maybe something for sidewalk enhancements altogether. After looking at the sidewalk and the fact that we have prisoners working who could shovel that dirt off of the sidewalks, he was pleased that we did not spend \$50,000 not knowing which direction we were going to go long term. He would like to know which direction on where we are going to go before we start talking about how much money we are going to spend in the future because we can get those prisoners to shovel again.

Consider Change in Health Insurance Policy

Human Resources Director Christy Pickens explained that she is seeking authorization to revise the eligibility class under our current group health insurance plan. The current plan document indicates that we have group insurance available to various classes which include our full-time employees as well as their eligible dependents and elected officials. Authorization is requested to revise the elected officials class to read specifically as a Class 3 – Elected officials working less than forty hours per week with Option 1 being those under age 65 and not Medicare eligible would be covered under the group plan and those under Option 2 who are Medicare eligible would be offered a Blue Cross Blue Shield North Carolina Medicare supplement and Medicare Part D prescription drug plan. The contribution that the City pays into the Medicare Supplement Plan would never be greater than the employee only cost contribution that we pay into the group health insurance rate. She said that the City also covers retirees that are under age 65 on the group plan but the specific class they want to change is the elected officials.

Mayor Pro Tem Stone said that he wanted to make sure he stated this clearly. He will support anything as long as it implies to all employees. He did not consider himself above any employee that is hired at the City of Sanford from the street sweeper to the city manager. This is not Congress. They got this job because they wanted to serve and that is what he intends to do. He will not create a special benefit for this Council that every employee does not get the benefit from. If you want to change it and let all employees have the right to take that money instead of taking the insurance, he will fully support it. Mrs. Pickens said that is not what she is asking. She clarified that they are actually looking to change the eligibility class. Right now, the group health insurance plan is offered to all elected officials and there may be times where we have elected officials join us under a Medicare Supplement Plan. They are requesting rather than covering those individuals on a group plan, which actually cost us more than it would to cover them on a Medicare Supplement Plan, that we also provide the opportunity for Medicare Supplement. If we could offer that to active employees, we would do so, but unfortunately, Medicare does not allow that. There is a distinguishing difference between classes; it is specific to whether they are active and full time. Elected officials are in a part-time status.

Mayor Pro Tem Stone said that he wanted to clarify himself. He was told by the city manager that we had individuals on this council that wanted to be refunded if they did not need the insurance. He added that what is good for our employees of the City of Sanford is good for this council and no special benefits should be deserved from any council member that is not available to any of our workers. Mr. Stone said that he was told by Mr. Hegwer that council wanted to be paid for not having health insurance because they did not need it. He wants the citizens to know the truth and where they are going with this. Mrs. Pickens said that originally, they were looking at reimbursing elected officials who had a Medicare Supplement Plan where it would be penalization if they were to transition to the group plan because as the document reads right now, they are offered a group plan status. She stated it would actually hurt an elected official who joins the group plan if at a later date they tried to re-enroll in a Medicare Supplement Plan; they could be denied coverage under Medicare Supplement if they answered yes to some health insurance related questions. Mrs. Pickens advised that they are not looking to reimburse the individual as they originally expected; we are seeking the opportunity to transition them to a Blue Cross Medicare Supplement Plan and have them invoiced as we do our retirees.

City Manager Hegwer clarified that they were talking about the reimbursement and the more they looked into it and as he spoke to all council members, they learned more information that was helpful. The reimbursement would cause some issues and as of late yesterday evening we were able to look at it differently and make it work more seamlessly with what we would like to do. Mrs. Pickens introduced John Gasiorowski, Benefits Consultant with Independent Benefit Advisor.

Council Member Taylor said he is glad Council has gotten clarification but he is one of the few that does not take the insurance on the City Council and that has been his choice to do so. Not once has he come back and wanted reimbursement on corporate insurance he currently gets. He said that since he has taken office, he feels that he knew what he was getting himself into when he decided to run for office. At the same time, they get paid; they get the benefits of having health insurance afforded to them and he agrees with Mayor Pro Tem Stone. He has problems with policies where the City Council is treated in a more favorably light than an average employee with the City. He has been against those types of policies in the past. However, with what has been said, council members realize that when they took office, they knew what their obligations were to fill that office and also what they were getting themselves into. When you set precedent and do something where council members are treated better than a city employee, he has a problem with it. There is no documentation written in front of them regarding what is being requested. He would like to see this issue in writing before taking a vote.

City Manager Hegwer said that they just wanted to talk about it today. We were trying to find a way to work through this and would benefit our employees. He said that Mrs. Pickens will put this information in writing.

Council Member Williams asked how the plan is different than retirees. John Gasiorowski stated that it is the same plan. He said that when we researched this, the benefits that they are offering to the council are not any different than what they are offering to the employees. You are not getting anything better. They are trying not to complicate or penalize those council members that are Medicare eligible that are elected to this particular office, put them on a group plan, and then they lose their eligibility with the Medicare supplement when they are done with the group plan or when they are finished being an elected official. If we had a Medicare eligible council member that goes on the city's group plan and terminates their Medicare Supplement Plan which was issued at the age of 65 and they pay the premium of age 65 even when they are 70 or 75 years old, they are penalized by going on the city's group plan. That council member also has to go through medical underwriting. If it goes through medical underwriting, he could be denied Medicare coverage in the future. We do not want to penalize a council member who already has Medicare when they come to the city. When Mrs. Pickens identified to change the eligibility, what we would be doing is protecting that council member who is Medicare eligible, to continue to be on the Medicare Plan – the City is going to pay for it. When they are done being a council member, they do not lose eligibility and they still have the same plan prior to being a council member.

Mr. Gasiorowski said that once you are Medicare eligible, whether it is disability or when you turn age 65, you get Medicare Part A and Part B. You have to pay for Part B and it comes

out of your social security check and then within six months period of time when you purchase Part B, you could participate in a Medicare Supplement Plan without any medical underwriting, so regardless of whatever your medical condition is, you are accepted into the plan. After those six months, if you were to participate in a Medicare Supplement Plan and did not have one, you would have to go through medical underwriting and if you answered yes to any of those questions, then you could be denied that supplement plan.

Council members discussed the different options at length and asked that the proposal be put in writing for them to see and vote on.

Consider Discussion Regarding Rezoning for George Perkins Property

Community Development Director Bob Bridwell advised that the question was posed what the status was on the George Perkins's property that was recently rezoned. Staff contacted John Daniel, the petitioner, and Mr. Daniel replied that he has been unable to contact Mr. Perkins concerning the status of the above referenced property. He said that Mr. Daniel stated that he felt confident that given the recent continued economic situation and day-to-day business activities, that the project has been delayed.

Council Member Taylor stated that Mr. Perkins acquired some space over by the courthouse for an office and has moved in there. He added that with that said, if you will recall during the hearings, we had several residents that expressed a concern over non-conditional use zoning. It was indicated to us that he was not going to be able to move twice and that as of December 31, 2009, would be relocated to this facility, but yet the unknown question is left up to the residents in that area. He asked if the sewer to Frontier is still on the table; he would like to know if it was made available and if not, maybe reconsider that because it is not being fair to the other residents in that area.

Public Works Director Vic Czar replied that the piece of property Mr. Perkins was talking about had the availability to get sewer in two different ways. One was to tap onto the line that runs in front of Frontier but he would also have to overcome some issues. It is a private sewer line and there would have to be some sort of agreement worked out. There are some issues with the state, but assuming that was done, that would serve for his purpose. Mr. Stone said that we changed our policy to allow him to run his sewer line to the private line and that is something we do not normally do. Mr. Stone asked Mr. Hegwer if that was correct. Mr. Hegwer replied that the line would have to be considered public for him to be able to connect into it. We told him that if the State of North Carolina would allow him to connect then he could do that. It would not matter to us either way. We would prefer him to go the other way because if he came the other way or if a sewer line is ever run in the future, then that property would be assessed. Therefore, the property owner would not be hurt by him getting sewer another way; he would still pay an assessment. Mr. Czar said that that is the second option he had. There is sewer almost at the intersection of Cool Springs Road and U. S. Highway 421 roughly that is public sewer and he could extend that sewer up to serve that property. What was discussed was if he extended sewer to the Parkdale building, then he would be part of an assessment if it ever came the other way so that those people would not be harmed in any way.

Mr. Stone stated that he is pointing out facts. That sewer line is never going 680 feet because of the cost. It would not be beneficial for that neighborhood to do that and he has a good memory. He added that we determined that and we did tell him that it is not our policy to let any one company dump into a private line. That is policy currently and we did give him permission to do it. The State is going to say whatever we gave him permission to do, it will be fine with the State. He wants to be clear. Mr. Czar stated yes, as long as he overcomes any hurdles that were associated. Mr. Czar said that he would disagree we do have more one piece of property that is connected onto lines that we do not maintain which is very similar to this situation. The part as to whether the sewer will get extended up to Glenwood Subdivision, the existing sewer is on a vacant piece of property that is sitting there waiting to be developed; whether or not it gets developed or extended across, he is not sure as to when.

Mr. Hegwer added that we made it clear that no matter when the sewer line is run, at some point those lots will need sewer in the Glenwood Subdivision. They cannot get sewer where they are now because of the grade situation, so the only way for sewer to be run is down Boone Trail Road. Our main concern was that it would not be any costly to the property owners there; whether he is for it or not, it counts as a vote and he would pay an assessment on that property if he was allowed to go the other way. Mr. Czar stated that in essence, you are talking about how that neighborhood can get sewer to the portion that does not have it. They have the same option today that they would have had whether or not this property got rezoned. There is an assessment process where the cost of the project is split up among the benefited properties and he would pay a share just like he would have prior to it being rezoned.

Council Member Taylor said that he hoped council is more judicious in their decisions especially, on situations where time frames are given as it related to zoning. There are two sides to every story. These are some of the same people that you will have coming before you in future endeavors and it is very unfortunate because the residents did deserve a say in this zoning request and they did vocalize their opinion.

Development Report - (Exhibit D)

Community Development Director Bob Bridwell gave an update of new requests and upfits.

Other Business

Community Development Director Bob Bridwell reminded everyone of the Endor Iron Furnace Greenway groundbreaking on Friday, January 29, 2010, at 2 P.M., at the entrance to the Riverbirch Shopping Center. A reception will be held in the old Elizabeth site. The rain date is February 5.

Mayor Pro Tem Mike Stone said that they listened to Chief of Police Ronnie Yarborough last week at council's retreat and we made the comment that for the longest time we have had a problem with violent crime. He said that we have not sent one resolution to District Attorney Susan Doyle stating that this City has an issue with violent crime. He requested that a resolution be prepared from this Council stating to District Attorney Doyle that we consider our violent crime something in this community that needs to carry a heavier burden. We currently have people that are getting busted for drugs that get longer sentences than people with violent crime.

He wants the resolution to go to the District Attorney to ask them to take a tougher stance on violent crime in this community.

Mayor Olive said for clarification, she has been to see District Attorney Doyle and she has spoken with a couple of the judges about that.

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 & Finance Committee, the meeting was adjourned upon the motion of Council Member Walter McNeil, Jr.; seconded by Council Member James Williams, the motion carried unanimously.

Respectfully submitted,

Cornelia P. Olive, Mayor

Bonnie D. White, City Clerk