

MINUTES OF THE SPECIAL MEETING OF THE  
CITY COUNCIL OF THE CITY OF SANFORD  
SANFORD, NORTH CAROLINA

A special meeting of the City Council was held at the Sanford Municipal Center, 225 E. Weatherspoon Street, on Wednesday, July 28, 2010, immediately following the Law and Finance Committee Meeting held at 1:00 P.M., to Consider Request for Funding by the Christian United Outreach Center and to Consider Resolution Authorizing Finance Director to Apply for Recovery Zone Economic Development Bond Allocation. (Meeting started at approximately 2:30 P.M)

The following people were present:

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

Absent:

Mayor Cornelia P. Olive  
Council Member Sam Gaskins

Mayor Pro Tem Stone called the meeting to order and Council Member Walter McNeil, Jr. gave the invocation.

**ITEM FOR CONSIDERATION**

**Public Comment**

Mayor Pro Tem Stone advised Council that traditionally, we do not hold a public comment period at a special-called meeting; however, one has been requested. Mr. Stone asked each council member present if they were in favor of waiving the rules and allowing a public comment period and it was unanimous to allow it.

Keith Clark, residing at 212 Acorn Drive, said that council has a tough job when it comes to being stewards of the public's money. The City is in the best financial condition of the three governmental entities and school board. He spoke in support of granting financial assistance to the Christian United Outreach Center and they help a lot of people in Lee County.

Claire Pickett, residing at 521 Valley, spoke in support of the outreach center. The center is comprised of over 40 churches and receives support and assistance from many businesses and organizations in our community. They have had an extreme emergency with the air conditioning system. She looks at the center as being a gift for her to go there and volunteer. She gave a brief summary of what they do at the center and the families they reach.

**Consider Request for Funding by the Christian United Outreach Center – (Exhibit A)**

Council Member James Williams referred to Exhibit A, G. S. 160A-20.1 that states we may be able to appropriate funds for a community festival that is open to all citizens, but we may not be able to appropriate funds to an organization to finance a new roof or things of this nature.

Attorney Patterson clarified that state statute 160A-20.1 allows the city to contract and appropriate money to any person, association, or corporation in order to carry out a public purpose, that the city is authorized by law to engage in. If it is one of the functions that the City could carry out, then you could have a non-profit or other entity to carry that out for you and appropriate money. However, what Mr. Williams is speaking about is a commentary produced by one of the lawyers at the School of Government with regards to the juxtaposition of the constitutional limitation on councils to use tax money that for a public purpose only and the statutory authority. Mr. Williams is speaking about the explanation based on the case law and he quoted correctly “that the unit may not appropriate funds to the same religious organization, to finance the installation of a new roof on a church, synagogue, mosque, or other religious structure” because we do not have the authority to spend money directly for that purpose ourselves. That is not a statute; it was interpretations of the statute and the constitution provisions by an instructor, lawyer, and official from the School of Government which helps advise local governments.

Mayor Pro Tem Stone asked if it is the will of the board, is it fine to proceed with the funding, or is it a law stating we cannot do it? Attorney Patterson replied that there is a law that you can only use tax money for a public purpose. The question here is whether this sort of expenditure meets that test. The example given was a roof placed on a church – it would not be an appropriate authorization by a local government of tax dollars. You have to determine whether this request falls into that category or whether it is going to fall into the category of meeting the public purpose.

Council Member Taylor asked counsel if she has seen any case law relative to a governing body giving the money to an organization such as the United Way with it earmarked for a specific organization. Attorney Patterson replied that the case law she has seen deals with things like being a dues paying member of the Rotary Club and that is not allowed. The history here has been that the employees contribute to the United Way and individuals can make contributions of that sort, not the entity itself. There was a case Dennis vs. Raleigh, a 1960 case, that said you could not give money to a local Chamber of Commerce to be spent on advertising for the City and there has to be some sort of controls on the money, etc. This council has to determine whether they think this meets the public purpose test or not and whether it is a function for which the City can carry out because although you have the limitation in the North Carolina Constitution that you only spend taxpayer money for a public purpose; you also have a limitation statutorily that it has to be for a taxpayer function for which the City was organized.

Mr. Taylor said that it is sad that Council was handed a three page document today and the only area that was highlighted was an interpretation and they are being asked to make a rational decision based on an interpretation that has been highlighted by staff. Attorney Patterson replied that she only did that to point out something that was in the dissertation that is similar to this situation. It was given to Council so they would have more information from which Council could draw their decision and it was highlighted to draw the attention so that Council could figure it out for themselves. It is always a decision of this council, but whether it is an appropriate decision or not or one within their authority, it is something that is open to interpretation each time.

Council Member Taylor said he spoke with Council Member Gaskins on this issue because from day one because he has had a desire to have a policy. He agrees with Mr. Gaskins that if we are going to dole out taxpayer's money to support non-profits, that we need a policy. He made a motion to adopt a policy that would go into great detail on an outline of when they do fund and when they do not fund non-profits. Mayor Pro Tem Stone seconded the motion.

Attorney Patterson said that she provided a draft copy of a non-profit policy at the last meeting and asked for direction from council members on what they wanted included in it. It was a draft for council to start from. Having not received any direction from council members, she called and asked each member how they felt about it and came to the conclusion that the board was divided on the issue. She needs direction from Council to know what they want it to say and carry out if the motion should pass. Mr. Stone said it could not be done in seven days; it is going to take a lot of discussion if Council decides to go forward with a policy.

The motion failed 2 to 4 with Council Members Linwood Mann, Walter McNeil, Jr., James Williams, L. I. "Poly" Cohen casting the votes against the motion. Council Members Charles Taylor and L. I. "Poly" Cohen voted for the motion.

Mayor Pro Tem Stone asked if he has a motion to grant the request to Christian United Outreach Center. Council Member James Williams made the motion to deny the request from Christian United Outreach Center. Seconded by Council Member L. I. "Poly" Cohen, the motion passed five to one with Council Member Linwood Mann casting the dissenting vote.

Consider Resolution Authorizing Finance Director to Apply for Recovery Zone Economic Development Bond Allocation – (Exhibit B)

City Manager Hal Hegwer explained that this item was discussed earlier today at the Law and Finance Committee meeting. Council Member James Williams made the motion to adopt the Resolution Authorizing Finance Director to Apply for Recovery Zone Economic Development Bond Allocation. Seconded by Council Member Charles Taylor, the motion carried unanimously.

**OTHER BUSINESS**

Council Member McNeil said that he has compassion for the Christian United Outreach Center Board. He suggested having the 40 churches associated with this outreach to take up an offering for them on Sunday morning to take care of this situation.

City Manager Hegwer announced that August 3 will be National Night Out and the Council meeting will be held that day at 1:00 P.M. instead of 7:00 P.M.

Special Called City Council Meeting  
July 28, 2010

**ADJOURNMENT**

Having no further business to come before the council, the meeting was adjourned upon the motion of Council Member James Williams. Seconded by Council Member L. I. "Poly" Cohen, the motion carried unanimously.

Respectfully submitted,

---

CORNELIA P. OLIVE, MAYOR

ATTEST:

---

BONNIE D. WHITE, CITY CLERK