

## LAW AND FINANCE COMMITTEE MEETING

Wednesday, January 12, 2011

1:00 P.M.

Council Chambers

The Law and Finance Committee met on Wednesday, January 12, 2011, 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 Samuel Gaskins
Mayor Pro Tem Mike Stone	Council Member L. I. (Poly) Cohen
Council Member James Williams	Council Member Walter McNeil, Jr.
City Manager Hal Hegwer	City Clerk Bonnie White
City Attorney Susan Patterson	

### Absent:

Council Member Charles Taylor  
Council Member Linwood Mann, Sr.

Mayor Cornelia Olive called the meeting to order.

### Consider Request by Kate Rumely with Brick Capital Community Development Corporation for an Exemption of Taxes – (Exhibit A)

Brick Capital Community Development Corporation Executive Director Kate Rumely explained that she needs a letter or resolution to Lee County regarding the Council's decision on her request for exemption of City taxes on six units of supportive housing for people with disabilities (Lee-Harnett Haven II building). She said they forgot to turn in exemption papers in January and did not realize it until they received the tax bill.

Ms. Rumely presented a slide show of the homes and apartments that Brick Capital Community Development Corporation has built and how everyone in the community benefits from their work. They have built approximately 50 homes.

City Attorney Susan Patterson stated that the request that Ms. Rumely had put in Council's packet was for a waiver of taxes and she wanted to reiterate to Council that unless there is an authorization to act under the law, you cannot waive taxes. However, there is a law that allows Council to accept a late application for exemption which is the same request that Ms. Rumely made to the County Commissioners for Brick Capital. The law states that upon the showing of good cause by the applicant for failure to make a timely application, an application for exemption of an exclusion filed after the close of the listing period may be approved by the municipality as appropriate. Attorney Patterson placed a memo from Lee County Tax Administrator Duane Brinson, and a copy of the exemption or exclusion application that Brick Capital filled out and placed on the County's agenda. The application was due in January and it was filed in November and it was late. Ms. Rumely's request and Council's action on Tuesday night will be to decide whether to grant the late application and the exemption from taxes. Mr. Brinson's analysis on the memo says that if it was timely filed, they would have qualified. Brick

Capital qualifies for the exemption, and Council will need to decide if you will accept the late application.

Consider Award of Bid for Fifth Street and Linden Street Water Line Replacement – (Exhibit B)

City Engineer Paul Weeks explained that late this summer, staff put together a waterline replacement project for Fifth Street and Linden Street. These lines have had flow problems over the years and they are 2-inch water lines. Because staff saw such good pricing come in from contractors, staff decided to widen the scope so they included areas such as Temple Avenue and Third Street that have 2-inch and 1-inch water lines in the bid. When the bids came in, staff received a low bid of \$319,242.50 from Sandhill Contractors, which was well above what staff expected and what was in the budget. Mr. Weeks said that they entered into negotiations with the contractor and decreased the scope back to Fifth Street and Linden Street. Taking into consideration some suggestions the contractor made to staff, staff was able to negotiate a price of \$109,211.31. Staff is asking Council to award the bid to Sanford Contractors in the amount of \$109,211.31.

Consider Capital Project Ordinance Amendment – Sewer Capital Project No. S0801 – (Exhibit C)

Assistant Financial Services Director Beth Kelly stated that this is an amendment to the capital project ordinance for the expansion and upgrade of the wastewater treatment plant. This appropriates the revenue from the two Series of Bond Proceeds and the State Revolving Fund Loan to total \$71,357,843. There are two Series of Bond Proceeds so that the taxable bonds can be categorized separately from the tax-exempt bonds. Bond Proceeds Series 2010A are the tax-exempt bonds in the amount of \$19,471,922. The Bond Proceeds Series 2010B are the taxable bonds in the amount of \$34,385,921, which includes the Build America Bonds and the Recovery Zone Economic Development Bonds. The offset of those revenues are the expenditures listed on the ordinance amendment.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2010-2011– (Exhibit D)

Assistant Financial Services Director Beth Kelly said that this ordinance amends the annual operating budget within the Utility Fund as it directly relates to the capital project ordinance above. It appropriates the funds transferred in from the capital project fund to pay off the outstanding debt on the WWTP in the amount of \$13,140,725 and also to reimburse the Utility Fund for the \$3,268,000 that has already been paid out.

Consider Resolution to Award Contract 1 of the Big Buffalo Wastewater Treatment Plant Expansion Project - (Contingent upon approval of Contract 2 by NCDENR) – (Exhibit E)

Consider Resolution to Award Contract 2 of the Big Buffalo Wastewater Treatment Plant Expansion Project (Contingent upon approval by NCDENR) – (Exhibit F)

Public Works Director Vic Czar stated that on November 23, 2010, the City opened bids for the expansion of the WWTP to a capacity of 12 million gallons per day from its current capacity of 6.8 million gallons per day. The project was split into two contracts to promote competition and it was very successful. T. A. Loving was the low bidder for Contract 1 in the amount of \$12,290,000. Crowder Construction Company was the low bidder for Contract 2 in the amount of \$36,500,000. Both are very reputable contractors and we are very fortunate to

have those contractors on board. They have been very interested in the progress and very interested in getting started.

Mr. Czar added that one of the things we need to do to satisfy the State Revolving Loan Fund contribution that we are going to get is to award these bids contingent upon their approval of our final package. We need them to approve our approval before we can actually award the bids. These resolutions are to award our bids to T.A. Loving and Crowder Construction contingent upon approval by North Carolina Department of Environment and Natural Resources (NCDENR) approving our package. T. A. Loving's office is from Goldsboro and Crowder Construction is from Apex.

Consider Agreement for Continuing Disclosure Services By and Between City of Sanford, North Carolina, and FSC Continuing Disclosure Services, A Division of First Southwest Company – (Exhibit G)

Financial Services Director Melissa Cardinali advised that this agreement basically relates to the fact that when the City does issue debt, the Securities and Exchange Commission requires annual disclosure on our part for investors. In order to ensure that the City is in compliance, staff recommends that we engage First Southwest, who is our financial advisor through this whole process, to perform this disclosure for us annually. There is a fee of \$3,500 for that annual disclosure. She said that a budget amendment will be prepared for Tuesday night for the \$3,500 if Council chooses to enter into this agreement.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2010-2011 - (Exhibit H)

City Manager Hal Hegwer explained that this ordinance amends the budget to appropriate \$150,000 for the purchase of property in the Jonesboro area for the construction of a parking lot.

Consider Amendment to the Agreement with the State Energy Office – (Exhibit I)

Public Works Administrator Laura Spivey advised that this is an amendment to the original award agreement to the \$60,000 the City received for the lighting retrofit project. It is actually the contract between the Department of Commerce and the Department of Energy for the \$60,000. Mrs. Spivey requested that Council allow the City Manager sign the amendment. They name it an Amendment 1 because they have made a few changes throughout the whole process. Attachment 1 and Attachment 2 are documents that we have seen and been over when we receive ARRA money. It is saying that we are going to follow all the requirements of ARRA funds.

Consider Voting and Alternate Voting Delegates to the North Carolina League of Municipalities for the Advocacy Goals Conference

Mr. Hegwer reminded Council that there is a deadline of Friday for attendance at this conference. He plans to attend the conference along with City Attorney Susan Patterson. He asked for direction from Council as to which goals are important to them so that staff can relay them to the North Carolina League of Municipalities. These goals will be worked through our lobbyists with the North Carolina League of Municipalities who will present them to the General Assembly. If Council would like to add something, they can.

Mayor Olive added that the meeting will be held on January 20, at 9:30 A.M. to 5:00 P.M. Mayor Olive stated that if no council member will attend, she will go to the conference.

Consider Consultant Services for Proposed Skatepark – (Exhibit J)

General Services Manager Tim Shaw gave a summary of how the skatepark process started. Staff spoke with Lee County Parks and Recreation Director John Payne and also with some youth who are skateboarders. He has spoken with parents of some of the skateboarders such as Wendy Dixon and Mark Lysckowski. He received some positive and negative comments as to the location of the site (Third Street Park). He spoke with representatives from the church in the neighborhood and to some of the neighbors and received some positive and negative from the neighbors.

Mr. Shaw stated there is a neighborhood park there now and we will have a skatepark, but you will also have an area to enjoy green space, whether you skateboard or have small children. We hope to have a shelter area, seating, restroom facilities, and a place to get off the street as far as parking. They are looking at these things and have been talking with some providers of skatepark equipment. He and some council members have visited some skateparks and it is more than just a slab of concrete with skateboard equipment on it. Mr. Shaw said that whatever we build we want to be sure it is safe, functional, and an attractive park.

Mr. Shaw explained that he has been talking with suppliers of the equipment and he has been looking for a consulting firm. He has contacted and interviewed three companies and they have visited the site. After interviewing the three companies, he felt that we should hire Atlanta Associates, P.A. This company has provided a proposal and it is broken down in different phases of the skatepark, starting with the conceptual drawings to completion. The fee is around \$38,000 to \$40,000. We do not pay this up front; it is done in phases. Once we get to the design stage and we decide on the design, then we look for a firm to purchase the equipment from.

Mr. Shaw advised that we have worked with this landscape architect before; his name is Jeff Westmoreland. He helped us on the golf course design approximately ten years ago.

Mr. Hegwer added that we will start with a schematic conceptual design. We need something to begin with on the skatepark. Once we decide on what the concept will be, then we will go to the next step. Mr. Shaw explained that there are some grants available, but we need a design before we can apply for anything; however, there is no guarantee that we can get the grant. We will need to put something in the budget for the skatepark. Mayor Olive stated that we have \$75,000 in this year's budget for the skatepark. Mr. Shaw replied yes; the consulting fees will come out of the \$75,000.

Other Business

Council Member McNeil, Jr., commended and congratulated the Finance Department for receiving the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association.

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Council Member L. I. “Poly” Cohen thanked the Street Department for doing such a wonderful job of cleaning off the streets during the snowstorm.

Council Member James Williams reiterated Mr. Cohen’s remarks.

Mayor Olive read and presented to Mayor Pro Tem Mike Stone a plaque for his years of service to the City as a council member since February 2006. Mr. Stone stated that he has enjoyed being part of this council and he has learned something from everyone on the council. He has learned how to make himself better and he has received some good life lessons that will take him a long way. He looks forward to going to Raleigh and supporting everyone in Lee and Harnett Counties.

Mayor Olive announced that immediately following the meeting, a reception will be held in the lobby area for Mr. Stone. She presented Mr. Stone his picture that was located in the lobby area.

Adjournment

The regular session was closed upon motion of Council Member Walter McNeil, Jr.; seconded by Council Member L. I. “Poly” Cohen, the motion carried unanimously.

Respectfully submitted,

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Cornelia P. Olive, Mayor

ATTEST:

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Bonnie D. White, City Clerk