

LAW AND FINANCE MEETING
Wednesday, October 12, 2011
1:00 P.M.
Council Chambers

The Law and Finance Committee met on Wednesday, October 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 Olive	Council Member Walter McNeil, Jr.
Mayor Pro Tem Sam Gaskins	Council Member L.I. (Poly) Cohen
Council Member Bob Brown	Council Member Linwood Mann
Council Member Charles Taylor	Council Member James Williams
City Manager Hal Hegwer	City Clerk Bonnie D. White

Absent:

City Attorney Susan Patterson

Consider Update on Input from Business Owners on Suspension of Two-Hour Parking – (David Montgomery)

Downtown Development Manager II David Montgomery gave Council an update of where DSI stands on the suspension of the two-hour parking on the 100 block of Steele Street. Last week, the DSI parking committee met with Police Major Kevin Gray to get the police perspective on the issue. On Wednesday morning, staff held a public forum and invited all the Downtown merchants whose businesses face on-street parking spaces Downtown; not just the ones on the North Steele Street and the Wicker Street where the petition was signed, but for all the Downtown. He said from DSI's perspective, they want to look at Downtown as a whole because the on-street and off-street parking and other issues have consequences on one another and that is the reason they invited all the Downtown merchants. There were about ten merchants in attendance and those who could not attend, responded by email. It was a very productive discussion and various options were discussed, including but not limited to, some type of customer validation program, better signage, and increasing the actual time limit.

Mr. Montgomery advised that other comments received were better education about where the public can park, and reiterating the point that you can't discuss on-street parking without discussing off-street parking; making the existing parking lots that we have more safe because there have been comments that cars are being broken into and that is the reason they were parking on the streets; and developing other parking options off street. The consensus was that parking for the customer should be the top priority.

He stated they are meeting next week to finalize the survey to the Downtown merchants. This is looking at all the issues for Downtown but there is going to be a component about parking. They would like to complete a windshield survey next month. They would hire someone to go and look at the parking on an hourly basis so you can see what the occupancy rate is at any one time and also the turnover rate. They are looking at what other cities are doing.

Council Member Taylor asked what type of feedback was given from the individuals in the meeting regarding the 60-day suspension of the two-hour parking on North Steele Street. Mr. Montgomery replied that one individual from that area was at the meeting. They did not say how it was going at this point but that is something they will look at because they have some data from 2007 to compare it to.

Council Member Cohen commented that he was talking to one of the merchants yesterday that said if you take away the two-hour parking, all the people in the Wilrik Hotel will be parking on the street and there will be no parking spaces for the customers. Mr. Montgomery said this was something brought up and they would be looking at customer validation where the emphasis is on the customer.

Mayor Olive asked how soon would the Christmas decorations have to be ordered to get them in time to be put up for Christmas. Mr. Montgomery replied at least by the last week in October. Mayor Olive asked for a consensus from Council to allow Mr. Montgomery to go ahead and purchase the decorations. Mr. Hegwer replied that we budgeted \$400,000 for the Downtown requests, of which \$30,000 for the decorations was included in that figure. Council was in agreement for Mr. Montgomery to go ahead and purchase the decorations.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2011-2012 – (Exhibit A & B)

City Manager Hal Hegwer referred to a handout that was placed at Council's seats describing a new initiative – an online improvement to our website. This arose out of a conversation from Lee County Economic Development Director Bob Heuts. It allows businesses to place their business on our website describing their products; a map of their location; logos; photos; menus; coupons; phone number; etc. The total cost for this endeavor is \$1,000 upfront – a one-time set up fee and then \$250 per month for perpetuity. The Chamber thought it would be a good value to the business community to improve their business, etc.

Mr. Hegwer states that the ordinance appropriates the money for this endeavor.

Mayor Olive was present in the discussions with the Chamber and Mr. Heuts. Mayor Olive reiterated that the initial fee is \$1,000 and \$250 per month, where our contract would be for three years so if it does not produce what we hope it would, then we can get out of the contract. She advised that we did polling of other communities who have initiated this and received positive responses on all of them. It would help our business community and it shows the versatility of what we do offer and discourage people from deciding that they have to shop out of town.

Mayor Pro Tem Gaskins stated that since we do not have our tourism authority moving yet, this is a baby step towards marketing Sanford and the businesses. He said that \$3,000 is a small investment.

Mr. Hegwer explained that the company will provide some on-line training and we can follow up with these businesses. The businesses are responsible for putting their information on

the website. Mayor Olive said that only the business can get into its own listing. It will be businesses in the City and if it works well, then we can expand it to the businesses in the County.

Council Member Taylor stated that micro-websites are nothing new to municipalities. He said that are a lot of people and companies that offer these types of services. He asked what enabled us to get to WebQA as the decision to hire them. Mr. Hegwer replied that WebQA was brought to staff and we felt comfortable with it. There are others; however, we saw the benefits and saw the responses from the companies. Mr. Taylor said there may be some other benefits from we can get metrics off our websites of what pages are being hit the most. He felt we should not limit our options. He is in support of this idea and felt we should see what other companies provide. He said we should set some criteria so we do not alienate one business over the other.

Mayor Olive said that they talked with an official with this company for about an hour, interviewing her as to what services they provide. She asked Mr. Taylor how extensively he wants staff to continue looking. Mr. Taylor replied that he would like to see what other competitive companies provide that we are not getting here.

Mr. Hegwer replied that we did talk with other entities and looked at how well it worked for them.

Consider Ordinance to Amend the City of Sanford Code of Ordinances Chapter 38, Utilities Article III. Rates, Billing and Controls. Section §38-103 Complaints and Adjustments – (Exhibit C)

City Manager Hal Hegwer informed Council that this is an amendment to our code of ordinances on our rates billing, etc. There was an ordinance put in place in 1985 that addressed a procedure on how we deal with water leaks from our customer base. This ordinance is 26 years old and we have evolved away from this ordinance some. For example, when someone has a leak in a twelve-month period that they provide a statement from a plumber and we adjust the water bill. A lot of our customer base does the work themselves. They purchase the materials to make the repair; we research it that the repair was made and then we adjust their water bill. We have occasions where someone has never had a leak in ten years; they have been a good customer and they pay on time and all of a sudden they have a leak. They may have two leaks within a twelve month period and never had an adjustment before and they are looking for relief. This ordinance would give staff a little more flexibility in dealing with these issues and to make those decisions.

Mayor Pro Tem Gaskins commented that he has received a lot of feedback on how nice the people are from the City when something like this occurs and that the City does a wonderful job.

Consider Process of Selecting an Engineering Firm for Maple Avenue Project and Endor Iron Furnace Greenway – (Exhibit D)

City Engineer Paul Weeks explained that the process of selecting an engineering firm falls under a different statute than getting a repair contractor. With repair, construction, or procurement, you typically have to go with the lowest bidder. With procurement of engineering services, you are supposed to select the most qualified engineer for the job. The statute leaves it

vague so that you have the flexibility to select the engineer or architect that best suits the job you are going to do; it was designed that way. One of the things we do to take out some of the decision-making process and put it on a level playing field is to form a committee and with a committee of three, no one person overrides anybody else and in this particular case – the Maple Avenue project - everyone agreed on the final result before Council. Mr. Weeks said that we believe the process is valid and believe it is defensible. One of the things they look at is what are we doing and are we doing it in a defensible fashion, because as you are aware, you can be sued for anything. Mr. Weeks stated that he left a list of projects (Exhibit E) at Council's seats that J. Thomas Engineering has worked on in the last three years. There are about nineteen projects on the list that encompasses work for the City and work that he has done for other developers and homeowners.

Mayor Pro Tem Gaskins said that he did not understand the titles on the form that engineers were evaluated on and the information that staff was trying to glean in those categories that helps staff make the decision as to which firm is selected. He did not have a problem with the decision being made on the engineer selected because he was highly qualified; however, there was a column that seemed like a yes or no question. He was looking for a tutorial to help him understand what is going on. Mayor Olive said that is what all of them had in mind were the different categories of the selection process/point system.

Community Development Director Bob Bridwell said that when they look at the categories and the way they try to evaluate each individual, they try to use judgment as to what they want the outcome to be. The number one outcome is that you do not want to select anybody that you do not believe is competent, and professionally capable of doing the technical part of a job. One of the first things you want to do is to evaluate their experience, credentials, and background that make you comfortable, so that when they come forward with a project that the drawings are going to be professionally capable. Once you overcome that aspect, you look at things that he calls relational - what kind of relationship are you going to have with that consultant moving forward. One category is the understanding of the area; that is not always an issue but in this case it is. You want to know in their background if they have worked on projects in the area before and have they proven themselves to have a good working relationship with people as well. It is a subjective area that you judge and sometimes it is a yes or a no. On more complex projects, you might add layers of detail that make it more significant.

Mr. Bridwell advised that coming to Council pretty soon will be the Endor Iron Furnace Trail greenway. He said they may be looking at more categories in terms of how they will come forward with recommendations on where the trail might go. It is very hard to say how many concrete points are going in each category because you are trying to subjectively judge what kind of relationship you are going to have once the contract is executed and moving on to do the work.

Mr. Weeks explained that the rating Mr. Gaskins was referring to is fee proposal. Everyone received a 10 except for one person received a 5. They did not supply some information that was specifically asked for.

Council Member Taylor said that he has a couple of questions about two of the categories, Understanding a Project, and Familiarity of Locality – those two items were 50 points total. He asked how can you have a variance from 25 points to 15 points, 10 points to 0 points when it is a yes or no type application. Mr. Weeks replied that is not a yes or no question unless there is none. If they had no familiarity it would be a 0; if you remember from your rating for example on CDBG experience, there are some people that did not have any experience. A lot of people earned high scores in these columns because they had everything that was there. One person scored down because they did not supply a timeline which was asked for. We wanted to know how long it is going to take them to get from Point A to Point B; they supplied everything else but that information. Mr. Weeks said is it subjective on the number of points they take off – sure. But that is the reason you have a committee and three people in order to level it out to make sure it is fair. Mr. Taylor asked as a follow up if they were the only company that did not submit a timeline. Mr. Weeks replied there is one more person who did not (there was a typo on the sheet); it was Covington-Waller & Associates. They did not provide a timeline and that would have taken them down from 60 to 55.

Council Member Bob Brown asked if each staff person collectively comes up with the rating or do you individually fill out a rating sheet and put them together. Mr. Bridwell responded that typically all three people involved in the rating process do it individually and then put them together to see how they compare. Mr. Brown said that the reason he asked the question is because he supports the integrity of the final decision by staff.

Council Member Taylor asked how many of the projects, of the nineteen on the list of J. Thomas Engineering firm, were CDBG related and what other CDBG work has this firm done in other municipalities. Mr. Weeks replied the only one he is aware of on the list is the Haven project and he is not sure of the other ones. Three on the list are City projects and the rest are private projects. Mr. Taylor said that there are four projects: RG Sewer Cost Analysis, Woodland Avenue and Evergreen Street Sewer Repairs, Gasters Creek Lift Station Improvements, and Third and Fifth Street Waterline Replacement Project; that is four out of nineteen. He asked how much other CDBG work has this firm done? Mr. Bridwell replied the only one on this list is Haven. Mr. Taylor said that the reason he asked this is because on that particular item, he thinks this firm scored 10 out of 25. Mr. Bridwell replied that is because they had CDBG experience. Mr. Taylor asked again how much CDBG work has this firm done? Mr. Bridwell replied the Haven project. Mr. Taylor asked if they considered other work they may have done at other municipalities? Mr. Weeks replied that they considered all the work they submitted in the proposal. He added that this is one of the things that they tried to get across to consultants is that they need to put their best foot forward so when they submit something to them, try not to assume that we know anything.

Consider Recommendations to City Council for the \$400,000 Allocated in the Capital Improvements Budget – (Exhibit E)

Community Development Bob Bridwell stated that this is a continuation of what was discussed last week at the Council meeting. You received the recommendations previously from Downtown Sanford for the allocation of \$400,000 that Council provided for Downtown projects this year. He identified each project as listed on Exhibit E. Mr. Bridwell stated that the first recommendation is the renovation of parking area behind Chatham Street, including

streetscape on north side of McIver Street in the amount of \$200,000. The three parties involved on this project making a contribution would be the City of Sanford, Progressive Contracting, and DSI. Progressive Contracting would contribute \$60,000 and a figure has not been set on DSI. Mr. Bridwell advised that DSI will be participating in this project if necessary. Mayor Olive asked if the \$200,000 would be for the completion of the project. Mr. Bridwell advised yes. Mr. Hegwer explained that this is an estimate and the cost of each project listed could vary.

Mr. Bridwell advised that \$100,000 is budgeted for the construction documents for the streetscape projects on Steele Street and Horner Boulevard and all the intersection improvements as listed. Mr. Gaskins asked if these are primarily getting the power underground. Mr. Bridwell replied that power would be involved in these projects; however, the primary thing is curb and gutter and streetscape issues. He said that we have got to do a lot of work with Progressive Energy and Windstream.

Public Works Director Victor Czar said that there is more than one overhead utility that needs to be addressed – Progress Energy, Windstream, and cablevision. Staff will be meeting with Progress Energy this week and try to scope some things. We have some numbers from ten years ago that essentially covered portions of Downtown, not all of Downtown. These figures have to be refined and get some better idea of what they are talking about. Staff is also trying to schedule something with Windstream to see what they can bring to the table in terms of estimated costs. There are several projects we need to look at such as entire Downtown or sections of Downtown to give you an overall scope of what we would be getting into but maybe give you sections to accomplish. If you decide to go with power underground, you have taken the step to do streetscape because you are going to tear everything up and you have to put it back, so you may as well come back with the finished product. The utility figure is just a portion of the total project. We are working on getting more current costs.

Mayor Olive asked if we have to have all these documents before we look at underground utilities. Mr. Czar replied no; the estimated cost of getting utilities underground from the different companies can be a portion of these projects; it could be like a module you can snap in. Mayor Olive added that what she would like to really see is to undertake something that would be such a good project it would be an incentive for Downtown business property owners to jump in and want to get involved too. It would seem the thing that would be the most obvious would be to go ahead and plant the utility lines, so can we do that sooner rather than later and just find out what the cost is. We are nearing a point in our fiscal year that we are looking at funding for another fiscal year and if we could start with the bulk of \$400,000 to get this underway, it would show that we do have a commitment; any time you have people working to come up with a slate of projects, it is admirable and commendable and we do not want to discourage them at all. However, she would like to see more accomplished, that would be in the Steele Street area which to the locals is Downtown. Mr. Czar said that getting any kind of figure from Progress Energy and Windstream will take a fairly long period of time. He did not feel that it is something they can do in a few weeks. They may say that they need to do an engineering study to give us a number of what it would take to locate these utilities underground and the cost of that study would be the responsibility of the City.

Mayor Olive said that one of the things she is worried about with numbers is that we are looking at a request of merger between Duke Power and Progress Energy. Duke Power is in the process of asking the Utilities Commission for a 20 percent rate hike on its residential customers and she would like to do what we can to preempt that so we do not absorb the added cost Duke Power may impose on us. Mr. Czar added that he believes the merger will have some impact on how quickly they will get back with us with the numbers because they realize it is coming too. If you want to use a portion of this money to study what it will take to put utilities underground, that could be done, but if the intent is to spend the money in this fiscal year, we are not going to be prepared to put utilities underground this fiscal year. It is going to take more time to come up with those plans.

Mr. Bridwell said that we are trying to get as much engineering and shovel-ready work done as we possibly can in the event we get funding sources that are going to be available.

OTHER BUSINESS

Mayor Olive mentioned that regarding the meeting on fracking that was overseen by the Department of Natural Resources, there are a lot of ramifications about it and Sanford needs to pay attention to what is going on and if you know any attorneys, we need to encourage them strongly to get to be experts on the laws about fracking. We need to discourage property owners to know what they are signing before they put their name on the dotted line. The Town of Creedmoor has passed an ordinance that no fracking will be done within their city limits.

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 Linwood Mann; seconded by Council Member James Williams, the motion passed unanimously.

Respectfully submitted,

Cornelia P. Olive, Mayor

ATTEST:

Bonnie D. White, City Clerk

