

LAW AND FINANCE MEETING  
Wednesday, April 11, 2012  
1:00 P.M.  
Council Chambers

The Law and Finance Committee met on Wednesday, April 11, 2012, 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 Rebecca Wyhof
Mayor Pro Tem Sam Gaskins	Council Member Walter McNeil, Jr.
Council Member L.I. (Poly) Cohen	Council Member James Williams
Council Member Jimmy Haire	Council Member Charles Taylor
City Manager Hal Hegwer	City Clerk Bonnie D. White

Absent:

City Attorney Susan Patterson

Mayor Olive called the meeting to order.

Consider Presentation from North Carolina Cooperative Extension Agricultural Agent Brenda Larson Regarding Festivals

Brenda Larson, NC Cooperative Extension Agricultural Agent Brenda Larson spoke on holding a festival in Sanford. She said strawberries are abundant in the county this year. They are early this year. They are usually harvested the third week in April and extend until the first week of June. She said the biggest strawberry festival is in Chadbourne and it takes place the first weekend in May. Ms. Larson said that we have seven strawberry growers in the county and a number of them are marketing their strawberries with cooperatives. Mayor Olive informed her that we are open to other fruits and vegetables such as sweet potatoes. Ms. Larson said that North Carolina is Number 1 in sweet potato production. Growers in sweet potatoes are the Logans, Gross Farms, Gary Thomas and others. This is an option to have a sweet potato festival and the harvest period is extended from June up until the fall. There are more opportunities with sweet potatoes. Ms. Larson said once you decide on what you want your festival to be, you plan on various events such as bakeoffs, picking contest, eating contest, etc. You could hold the festival at the fairgrounds, or a grower's farm.

Mayor Olive said that she wanted to know the different crops we have to focus on to promote such as sweet potatoes. We have truffles and asparagus but she was looking to see what product we could promote.

Council Member Haire asked that since we have seven strawberry growers in Sanford, do we have more than the surrounding counties. Ms. Larson replied that Chatham County has five growers; Harnett County has two growers; and Moore County has four growers.

Council Member Taylor asked how is the cooperative extension working with the Goodness Grows Program and placement of products in local restaurants. Ms. Larson replied they are offering GAP certification. In order for our farmers to market with institutional buyers such as schools, hospitals, military, they are required to be GAP Certified. GAP stands for Good Agricultural Practices. It is primarily geared towards food safety; they are offering this GAP certification training for our growers next week. It is an extensive program and it requires a lot of record keeping.

Mr. Taylor asked if we are working with our restaurants locally to ensure that the products are grown in Lee County and consumed in Lee County as well. Ms. Larson replied that they are going to start this year and the Cooperative Extension wants to create a flagship program on local foods. Part of that is the 10 percent campaign she has been working with where they encourage consumers, businesses, wholesalers, and retailers to commit to spend 10 percent of their food budget in buying locally. They signed on Piggly Wiggly. The next step is the GAP certification but also working with chefs and restaurants to buy locally.

Mr. Williams said that Cloverleaf is a national distributor and at some point in time, we might want to consider talking to them about our local products. Ms. Larson added that MDI Distributors, who furnishes Lowes Grocery Stores, the 10 percent campaign at the NC State University has been working with them and are almost ready to sign to purchasing locally. What you will see is in the grocery stores, they will identify the farmers who are producing the crops of the fruits/vegetables they will be selling at the store.

Consider Resolution Authorizing Installment Purchase Financing for Street Improvements – (Exhibit A)

Financial Services Director Melissa Cardinali explained that in the current year budget, Council approved the financing of street resurfacing in the amount of \$1.1 million. The financing is to be done through installment purchase. This type of financing works by the bank lending the City funds and placing a lien on the asset and, in this case, it would be the streets. Last week, Council chose to borrow only \$950,000 of the \$1.1 million. Under the statute as finance director, she cannot begin the process of borrowing the funds without Council passing this resolution directing her to start the process. Once the resolution is passed, it does set a cap on the borrowing of \$950,000. She will then begin seeking proposals from the banks. She will bring the proposed bank terms back to Council and then submit an application to the Local Government Commission. Once the LGC approves the deal, the paving contracts can then be approved.

Consider Reimbursement Resolution–Street Resurfacing – (Exhibit B)

Financial Services Director Melissa Cardinali advised that this resolution is one that allows the City to begin work on the projects we just discussed before we actually borrow the money. The resolution states that the specific project that is authorized is the street resurfacing project on Wilkins Drive. The project will be financed; it is expected to be financed through installment purchase financing. The amount not to exceed the maximum was \$220,000 on this project. The funds that have been advanced, or may be advanced from the General Fund project costs, are intended to be reimbursed from the financing proceeds. So, once we borrow the money, we will pay ourselves back. The only risk to this is that should the Local Government

Commission (LG) not approve our financing contract, then the City would have to pay for the Wilkins Drive project with cash. Based on our past experience with this type of project and with the LGC, staff does not see this as a huge risk at all. She said this resolution was done prior to staff knowing what the bids were, so this is a cap that is set just by resolution; it has nothing to do with the actual contract itself. It just says that we cannot reimburse ourselves for more than \$220,000, regardless of which contract Council approves for this project. This is the difference between what is on the resolution and what Mr. Weeks will be presenting on the next item.

Consider Award of Bid for Wilkins Drive Rehabilitation Project – (Exhibit C)

City Engineer Paul Weeks explained that bids were opened on February 23 for the Wilkins Drive rehabilitation project. We had nine companies to pick up bid packages and we had five companies bid on the project. The low bidder was Raleigh Paving; they submitted a base bid of \$142,448 and an alternate bid of \$161,043. Raleigh Paving has done work for the City of Raleigh, Morrisville, Apex, and at Wyeth/Pfizer. Staff has contacted these entities and the references came back good. The Pfizer facility is interesting because there is quite a bit of industrial traffic on that road and the comment was made that they did a very good job of traffic control and they will be seeing the same type of traffic on Wilkins Drive, if not more on Wilkins Drive because Waste Management is located at the end of the road. Staff checked their contractor's license and they came back good as well. Staff recommends awarding this project to Raleigh Paving in the amount of \$161,043 (the alternate bid). Mr. Weeks explained the difference between the base bid using a stone base and the alternate bid using binder.

Consider Selection of Planning Firm for Bicycle Plan – (Exhibit D)

Community Development Director Bob Bridwell advised that the City was approved for a bike plan grant from the NC Department of Transportation several months ago. We have gone through the process of soliciting proposals from D.O.T. qualified firms which are very limited to bike planning specialties. We received two proposals; one of which is from a company who done work for us in the past (McGill and Associates) and the second (Alta Greenways) who almost exclusively does bicycle planning. After they went through the selection process and criteria with Mr. Weeks, Mr. Montgomery, and himself, they are recommending awarding the project to Alta Greenways this contract.

Mr. Bridwell advised that this is a Sanford/Lee County Bike Plan. The grant can only go to a municipality so we were the applicant. The bike plan will be for all of Sanford, Lee County and Broadway. It will become a part of our permanent master comprehensive transportation plan.

Council Member Wyhof asked how much was the grant for and will that grant cover the entire cost of the plan. Mr. Bridwell replied that he will give Council members the amount of the grant at the next meeting. He said it is an 80/20 match.

Public Information Officer

Mr. Bridwell introduced the new Public Information Officer Heather Vaughn. She has several years of experience in broadcast journalism and in television production, most recently with WSPA in Spartanburg, where she was a producer/reporter. She worked with WHNS in

Greenville, South Carolina where she was a reporter and producer - both with the morning show and the 10 P.M. news.

Consider Presentation About City of Sanford/Lee County Youth Council Fundraising Project – (Exhibit E)

Community Development Manager Karen Kennedy informed Council of a project that the Youth Council plans to hold in May. It is a Race to Read project where they will be raising funds to purchase and donate reading materials to the elementary schools in Lee County. The project is a 5K Fun Run/Walk on our Sanford greenway on Saturday, May 19. The race begins at 9 A.M. Registration Fee is \$25 and if you register before May 1, you will receive a tee shirt. It is not a timed event; they wanted to make it a fun run. The route will begin at the back of the Spring Lane Cinemas, go through some of their parking lot and First Bank's parking lot, get on the greenway and go over to Carbonton Road and return back to the Spring Lane Cinemas. They have approval from Spring Lane Cinemas and First Bank.

Consider Updates on Public Works Storm Drains

Public Works Director Victor Czar explained that Mr. Taylor requested an update on what the City does in terms of proactive maintenance of the storm drain system. He referenced some flooding that happened on Valley Road. Mr. Czar said that the City provides several services that lean toward this maintenance. The leaf and limb collection – anything that is sitting on the curb where if it rains it would get washed into the storm drains; this is a benefit to help prevent flooding. For a nine-month period of July 1, 2010 through March 31, 2011, we picked up 2,600 tons of leaves throughout the City; for the same period of time the following year, we picked up 2,100 tons. By picking up the leaves, it keeps them from washing into the storm drains.

Mr. Czar said that we have a number of catch basins throughout the City that we clean, (not on a routine basis), and we have cleaned some more than others. It is not in a route; it is something we do when we have time to do it because we are not funded to do it. Last year, we cleaned about 4,300 catch basins; this year we cleaned about 4,900 catch basins. It is a significant effort we put towards this endeavor. We have drainage pipes that are either under the roadway or they are driveway pipes. Last year, we cleaned nearly 13,550 feet of storm drain pipe; it is a significant effort. This year, we have cleaned 3,880 feet because the weather this winter has been very mild. The employees who do the storm drainage pipe cleaning are also the people who do the patching of the streets and concrete repair, such as sidewalk and curb and gutter, etc.

Mr. Czar added that the street sweeper suctions up debris that otherwise would be washed down in the storm drain and this year it collected over 300 tons. Litter is collected by the inmate program; they clean up our rights-of-way wherever they are assigned. Last year, they picked up 20 tons of litter; this year it was 10 tons for a 9-month period. All those efforts lead towards a reduction in flooding because if those things are allowed to remain and washed down the system, it can clog the system. These are things that staff does to prevent flooding.

Approval of Resolution to Temporarily Close a Portion of Dalrymple Street – (Exhibit F)

Street Superintendent Magda Holloway advised that she received a request to temporarily close a portion of Dalrymple Street between Grimm Street and Williams Street for a Car Show and Cruise-In to be held at the Brick City Grill. The closure will occur from 3 P.M. to 8 P.M. on April 28, 2012. The request states that they have contacted the property owners along this area and no one has a problem with this closure.

Approval of Resolution in Support of National Day of Prayer – (Exhibit G)

City Manager Hal Hegwer advised that staff was requested to put together a resolution in support of National Day of Prayer to be held May 3, 2012. This resolution addresses this request.

Other Business

City Manager Hal Hegwer advised that he was contacted by Don Hudson with the Sanford Pottery Festival and he wanted Council to have a copy of the powerpoint presentation (Exhibit H) regarding the Pottery Festival. He asked for David Nestor, representative from the Pottery Festival, to attend a Council meeting to present the presentation.

Mayor Olive mentioned that at the last meeting of Council, we decided to invite the members of the Lee County Board of Commissioners to meet jointly this afternoon at 2:30 P.M. to discuss the distribution of the sales tax proceeds. The Board of Commissioners replied that they would be unable to attend. She asked about the possibility of meeting the members of the County Commissioners at a mutual place because it is an issue that is of vital importance to the City and the Town of Broadway. She has spoken with Mayor Don Andrews and he is interested in this being held. There are several options. They could meet at a restaurant and have lunch – something to that effect – for a more comfortable setting. She asked them to give it some thought. Another option is that if Council thinks they have made the overture and it was not accepted, we could hold a public hearing for citizens and businesses to comment on the pros and cons of changing the distribution method.

Council Member Cohen added that in the paper this morning, he read that the County Commissioners are going to vote on it at their next meeting on Monday. Mr. McNeil felt a public hearing should still be held. Mr. Hegwer stated that we have several public hearings scheduled for Tuesday night. After discussion, it was decided to have a special meeting of the City Council on Wednesday, April 25, at 1 P.M., for public comment regarding the distribution of the sales tax revenues and the Law and Finance Committee meeting would be held immediately following the Special Council meeting.

Council Member Taylor said that both parties have stated their position and he would not be in favor of a relaxed meeting in a mutual environment because he felt it is matter of public issue, not only for the County Commissioners, but the City Council as well; it is for the citizens mainly. He did not think these types of meetings are productive so far as visibility and transparency in government.

Council Member Williams stated he did not see anything wrong with inviting the public to get their opinion regardless of whether the Commissioners vote on it or not on Monday. He is still interested in hearing the public's view and the public needs to be made aware of this issue.

Mr. Hegwer said that we will look at having the public hearings.

Mr. McNeil asked for clarification that with the city residents being county residents, with the reduction of the county's tax rate as proposed and with the City's increase in taxes, what would be the net gain. Mr. Hegwer replied that the County's anticipation is to reduce taxes, but to offset the difference in revenue is a 6.27 cent tax increase if Council chooses without making any cuts.

Mr. Taylor pointed out that is going on the assumption that we would actually have to raise taxes and not do any budgetary cuts. In every budget process, there is always places Council can find room to cut budget without cutting services and cutting people. We are going on the assumption we are going to have to raise taxes. He said he is going back to what he said last week that not one time has he heard anywhere we can do a better job and more prudent with the taxpayer dollars in any of these discussions. He hopes that as Council goes down this path, they will look from within first before we look externally for additional revenue sources.

Mayor Pro Tem Gaskins said that it is unfortunate that Council Member Taylor has missed several meetings because Council has discussed this in detail and had information passed out to them in several ways where we might reduce; unfortunately the reductions included a lot of reducing services, not just finding ways to save money. It would be nice to hear the public's input on it.

Mr. Gaskins stated that Lee County collects a higher property tax from the Downtown businesses than the City of Sanford. The City of Sanford collects property taxes from the downtown businesses. The Downtown Business District also has their own assessment that is collected and what Sanford does, is provide for police protection, fire protection, streets, sidewalks, parking areas, storm drains, lighting for Downtown, waste treatment, and waste removal. The Downtown businesses and City businesses collect over 80 percent of the sales taxes that are returned to Lee County. The Sanford businesses do not have children in school and do not utilize the Department of Social Services.

Mr. Gaskins said that a healthy, thriving downtown district is vital to the economic development in Sanford and Lee County. With Lee County collecting all those taxes from Downtown Sanford, he would be interested in seeing what they provide in return. They are looking at taking a larger portion of the sales tax that is generated by Downtown Sanford. We are looking at trying to renovate Downtown with major streetscaping – all based on taxing City taxpayers. He would like to know what Lee County is intending to give back if they want to continue to increase the taxes and take more from Downtown.

Mr. Taylor said that he wanted to point out that when we talk about cuts in budget – we are talking about tangible cuts. He is not talking about a **carte blanche approach**. He had the fortunate luxury of watching those meetings even though he was not present, and he

wants to see tangible things by departments that do not affect services. He said Mr. Gaskins was a very good servant of looking at the budget and he has seen every year where we have talked about items and he compared year to year how we spent money – one year versus another. He said we have to look from within before we start asking or threatening emotional argument of a tax increase. Every business in America that has budget cuts looks from within before they start asking for more.

**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 L. I. “Poly” Cohen, seconded by Council Member James Williams, the motion passed unanimously.

Respectfully submitted,

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Cornelia P. Olive, Mayor

ATTEST:

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Bonnie D. White, City Clerk