

LAW AND FINANCE MEETING
Wednesday, January 30, 2013
1:00 P.M. in Council Chambers

The Law and Finance Committee met on Wednesday, January 30, 2013 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
Council Member Walter H. McNeil, Jr.
Council Member L. I. (Poly) Cohen
City Manager Hal Hegwer

Mayor Pro Tem Sam Gaskins
Council Member Jimmy Haire
Council Member James Williams
Deputy City Clerk Janice Cox
City Attorney Susan Patterson

Absent:

Council Member Charles Taylor
City Clerk Bonnie D. White

Mayor Olive called the meeting to order. Council Member Rebecca Wyhof requested to add a fifth item to the agenda: Discussion of a Municipal Environmental Affairs Board.

Consider Presentation Concerning the National League of Cities (NLC) Service Line Warranty Program – (Exhibit A)

Public Works Director Vic Czar introduced Michael Madden, General Manager for Utility Service --the administrators of a warranty program from the National League of Cities that home owners can take advantage of that would cover the water and sewer lines that they are responsible for. There would be no cost or liability to the city.

Mr. Madden explained that the program is designed to protect residents from the stress and high cost of utility line repairs; strengthen the integrity of the utility infrastructure (reducing water loss and wastewater pollution); and generate incremental revenues through an affordable, value-added program. Their products are specifically designed for single family, residential homeowners who may not have set aside the funds required to make these often significant repairs. Customer service is staffed 24/7 and they deal with trusted, local contractors. All repairs are performed to local code. The service provides protection from the point of entry at the home to the point of the utility provider's responsibility. Customers may enroll in one of three ways: calling the toll free number provided on the mailing; mailing in the customer reply portion of the letter in the envelope provided; or by visiting their customer website www.SLWofA.com. Implementing the program includes obtaining council approval and executing the marketing services agreement which includes the use of City logo on marketing materials; reviewing and approving welcome kit materials; and accessing the partner portal where there is secure access to information about enrollments, claims, and royalty payments. Refer to Exhibit A for details of his presentation.

Answering Council questions, Mr. Madden stated that the average cost to the consumer for water line is \$5 - \$6.00 per month. For sewer line, it is about \$7 to \$8.00 per month. No long term contracts are required. There is a 10 percent discount for paying on an

annual basis. There is the option for the City to use the royalty to offset customer costs. Council Member McNeil expressed concern about allowing them to use the City's logo and have customers thinking that the City is responsible. Mr. Madden explained that there is no liability to the city; that their experience shows that using the City's logo improves customer approval; and using the City's logo would separate them from other companies who would want to do the same kind of work. It provides an element of protection for customers and saves the city time being called to do inspections with customer concerns. Council Member McNeil was concerned that customers would still call the city with their issues. Mr. Madden stated that the customers would be provided with phone numbers, internet addresses, and magnets for their refrigerators telling them exactly who to call. Information would be provided at collection sites, as well.

Council Member Williams explained a solution the City already had in place for citizens to put a clean-out in place so City could clean out the lines and retap at no cost to the citizens. City Manager Hegwer stated that helped citizen's with problems that were difficult for them to deal with due to location. Mr. Madden stated they could put in the clean outs, if needed. Mayor Olive asked if there would be different rates for people who live in older neighborhoods. Mr. Madden stated that they have basically a standard price all over the country, dependent on size. Mr. Madden reviewed the procedure that would be followed: 1) When customers have a problem, they call his company on their 24-hour line. 2) His company contacts contractors in the City's area who have agreed to work with them. 3) The contractor sets up a time with the resident to determine where the problem is located. 4) If the problem is on the City's side, they will contact the City. If the problem is on the customer's side, the contractor will secure the required permits and work will begin immediately on the repair. 5) Following the work, customers are contacted for their comments or concerns about the repair. Reports are available online for the City. They use only the most qualified local contractors. More problems occur with sewer lines than with water lines. Up to \$8,000 in repairs is available to customers for each problem. He explained that the program is voluntary and optional. No minimum number of participants is required.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2012-2013 – (Exhibit B)

City Manager Hegwer stated that this amendment moves \$17,500 from Miscellaneous (revenues received from Central Electric Membership Corporation) to Public Building for the purchase of a parking facility in downtown.

Consider Taxpayer's Request for Tax Refund of Late Listing Penalty According to NCGS 105-312(K) – (Exhibit C)

City Attorney Susan Patterson explained that Central Carolina Hospital is requesting a refund for a late-listing penalty that they have paid for failing to list some personal property that was found through discovery. The amount they are looking for is \$4,591.53. Lee County denied the request they received for a refund.

Lee County Tax Administrator Mary Yow stated the discovery was made through a business personal property audit which also showed they were under reported for 2008-2011 as well. Mayor Pro Tem Gaskins stated that the \$4,591.53 amount is a compromise figure and noted that for 2008, it was nearly \$5,000. Because Lee County has already denied it, he

asked how the compromise figure came about. Attorney Patterson stated that the letter making the request included both city and county amounts together on the listed years and the numbers are not exactly accurate. Ms. Yow stated the hospital did their own estimation and they did not match exactly what the County had. Council Member Wyhof confirmed that this was not their first occurrence. Ms. Yow stated that they had been audited four times and had a discovery for every audit.

Consider Resolution Supporting and Seeking Legislation Authorizing a Mandatory Ten (10) Year Active Sentence Upon Conviction of a Felony Using a Firearm in the Commission of the Crime – (Exhibit D)

City Attorney Patterson explained that Council Member Charles Taylor could not be present at this meeting, but wanted Council to consider another draft of the proposed resolution regarding issues brought up by Mr. Williams, the Police Chief, and Mr. Taylor at some of our previous meetings. They are looking to request the legislature to adopt legislation providing for a mandatory, non-discretionary ten-year sentence when someone commits a felony with a firearm. Mr. Taylor is requesting that it be narrowed to the commission of a second crime with a firearm. Attorney Patterson stated that the police chief had stated that it would be impossible to know if the last crime had been committed with a firearm because it is not tracked that way. Mrs. Patterson explained that the resolution before Council now would seek a mandatory ten-year active sentence when a firearm is used in the second commission of a crime because it could result in fewer deaths, fewer crimes occurring, or deter criminals from using firearms. Mr. Taylor would like to help craft how it is presented to the legislature. It is not a local bill; it would be for statewide legislation. Police Chief Yarborough suggested that the original sentence be imposed for that particular crime and the mandatory sentencing be put on top of that.

Mayor Pro Tem Gaskins stated he was in favor of going with the Police Chief's recommendations because it is coming from the persons who are involved. Attorney Patterson stated that she had not talked to any League attorneys. Council Member Wyhof clarified wording that "by the second offense committed with a firearm" refers to a totally separate offense not one included in several offenses committed at the same time. It would mean that the criminal had already been convicted of a felony using a firearm, and this would apply to the second conviction. Mr. Williams thought that the League could advise Council. Council Member Haire suggested the bill might use the word "gun" instead of firearm which would then include the use of pellet guns, etc. as the victim would likely not know the difference.

Mayor Olive stated that she has a real problem with the bill stating the second felony. She felt it was giving criminals the second chance to kill someone. Her preference would be to leave it at the first offense. Mayor Pro Tem Gaskins agreed with the mayor. He thought it should be left to state lawyers. He stated that if our police chief thought this was the way to go, he wouldn't put in all the wording and restrictions.

Council Member Williams thought a bill as important as this one should get all the support it could and that is why he wanted the League involved. The more cities supporting the bill, the more likely it is to be passed. He stated that the consent of the Board needed to

determine how to proceed with this. Council Member McNeil stated it would be up to the council to get other cities involved. He stated that Council should send their proposals to legislators and let them work on it. Council Member Cohen stated that he did not think a person should be given a second chance to kill someone. He thought the mandatory sentencing should be on the first offense.

Mayor Olive asked City Attorney Patterson that after hearing the thoughts of Council members, if she would be comfortable drafting this to go the General Assembly. Attorney Patterson clarified that this would be a resolution that would more accurately state the Council wishes she had heard today. She would be glad to draft it with consensus or majority of the Council. She would want the suggested changes in the language. Mayor Olive stated she believed the consensus is to draft something dealing with the first offense and streamline it as much as possible. No objections were presented from Council. Attorney Patterson stated she would try to have that before Council at the next council meeting. Mayor Pro Tem Gaskins stated that in the interest of transparency, he did not think that anyone needed to be encouraging anybody to go around talking to individual members to drum up support. Mayor Olive stated it should be adopted on its merits.

Discussion Regarding Establishing an Environmental Affairs Board

Council Member Rebecca Wyhof stated that she has been concerned about the efforts to disband the joint Environmental Affairs Board. She stated there are a number of municipal concerns with fracking that she feels can be looked out for by an advisory board. She stated that we have our own infrastructure here and we need to make sure it is protected. Our employees and first responders will be involved in whatever happens. She wants to be sure there is someone looking out for the municipality's best interest. She hopes that they can work with the other board to avoid duplication. She is proposing that City set up an advisory board of about nine members to deal with whatever environmental issues come up. She felt it is important to have people who understand municipal issues and environmental issues and to provide a forum for interested citizens to express their concern.

Mayor Olive stated that on the now defunct Environmental Affairs Board, there were member who had many years of training and exploration into many environmental issues who have gone to bat for Sanford and Lee County. What they have committed themselves to is extremely admirable. She hopes some of those members will be willing to serve on this board. Council Member Cohen stated there are always going to be issues for the Environmental Board to deal with. Council Member McNeil supported the idea requesting that it be called the City of Sanford Environmental Affairs Board and not include the word "fracking" in it. Council Member Haire stated that Sanford needed to be involved in the fracking issue, in part to determine what happens to the residual water. Mayor Olive stated that we need to know what the damage to the air quality will be. She has heard that the holding ponds can be potentially very dangerous. Mr. Haire stated that the board might need funding for field trips for members to visit other sites to determine the kinds of problems that may be involved.

Mayor Pro Tem Gaskins commended Council Member Wyhof on something that is not

just a good idea, but is an absolute necessity. Attorney Patterson stated that this item could be put on the agenda for the next council meeting and then the clerk could advertise vacancies. The public might need to know that North Carolina law allows holding one elected position and one appointed office or two appointed offices. Applications can be made available for interested persons to apply. Mayor Olive stated that the city manager could draft the information about size of the board, number of meetings, etc. She hopes there will be interest from former members of the previous board. Council Member Williams stated he supported this because it looks like the City may be the citizens' last line of defense.

Other Business

Mayor Olive asked for Board members to volunteer to be on the committee to meet with County Commissioners to discuss interlocal agreements.

City Attorney Patterson stated that the legislature is back in session and the local bill deadline is March 5 for the Senate and March 20 for the House of Representatives.

ALL EXHIBITS CONTAINED HEREIN ARE HEREBY INCORPORATED BY REFERENCE AND MADE A PART OF THESE MINUTES.

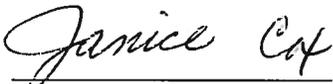
ADJOURNMENT

Having no further business to come before the Law & Finance Committee, the meeting was adjourned upon the motion of Mayor Pro Tem Sam Gaskins; seconded by Council Member James Williams, the motion passed unanimously.

Respectfully submitted,


Cornelia P. Olive, Mayor

ATTEST:


Janice Cox, Deputy City Clerk

About Utility Service Partners, Inc.



USP's family of companies have been providing utility service line warranty products since 1998. USP has an A+ Better Business Bureau Rating and enjoys a customer satisfaction rating of over 95%.

About The National League of Cities



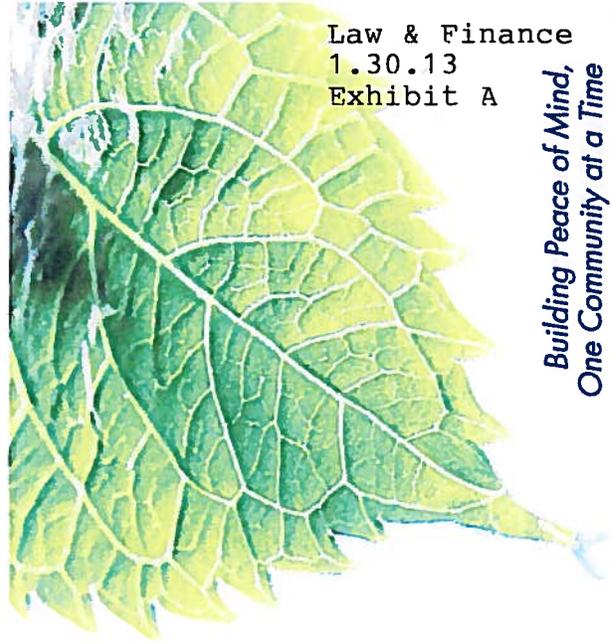
The National League of Cities is dedicated to helping city leaders build better communities, and serves as a resource and advocate for 19,000 cities, towns and villages, representing more than 218 million Americans.

Make a Difference in Your Community

To learn more about the NLC Service Line Warranty Program, visit NLC's website at www.nlc.org or contact 1-866-974-4801.

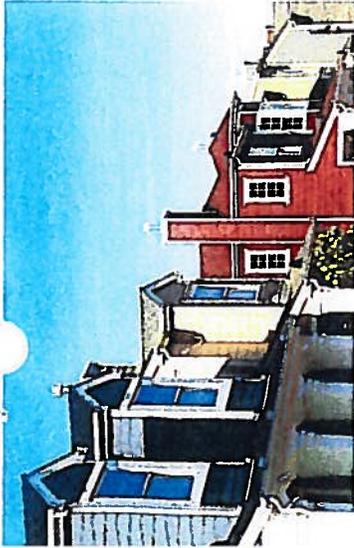


NLC Service Line Warranty Program



Law & Finance
1.30.13
Exhibit A

*Building Peace of Mind,
One Community at a Time*



Overview

The NLC Service Line Warranty Program, administered by Utility Service Partners, Inc. (USP), helps city residents save thousands of dollars on the high cost of repairing broken or leaking water or sewer lines. This program is offered at no cost to the city.

Based on implementation in more than one hundred cities, the program has proven to be an important educational tool, informing city residents of their responsibility for maintenance and repair of service lines on their property. The program offers the city an opportunity to educate residents and offers a voluntary warranty program through a reputable company.

The Solution

Most residents do not have money set aside for an unexpected, expensive utility line repair. The NLC Service Line Warranty Program offers an affordable solution: a low-cost warranty that will cover the expense of repairs, with no deductibles, service fees or lifetime or annual coverage caps.

Serving your local community

“ This program is a win-win for the city. Implementation is easy because USP takes care of everything – from the marketing to the billing and customer service. It’s great to be able to bring such a valuable program to our residents, they appreciate the peace of mind this coverage provides. ”

**Emmett Pugh,
Mayor of Beckley, WV**



All repair work is performed by licensed, local plumbers who will contact the customer within one hour of filing a claim, and perform the repair, typically within 24 hours. USP provides a personally staffed 24/7 repair hotline for residents, 365 days a year.

Implementation

Once the city has approved participation in the program, the start-up process is simple. USP administers the program and is responsible for all aspects of the program including marketing, billing, customer service, contractor management and completion of all repairs according to local code.

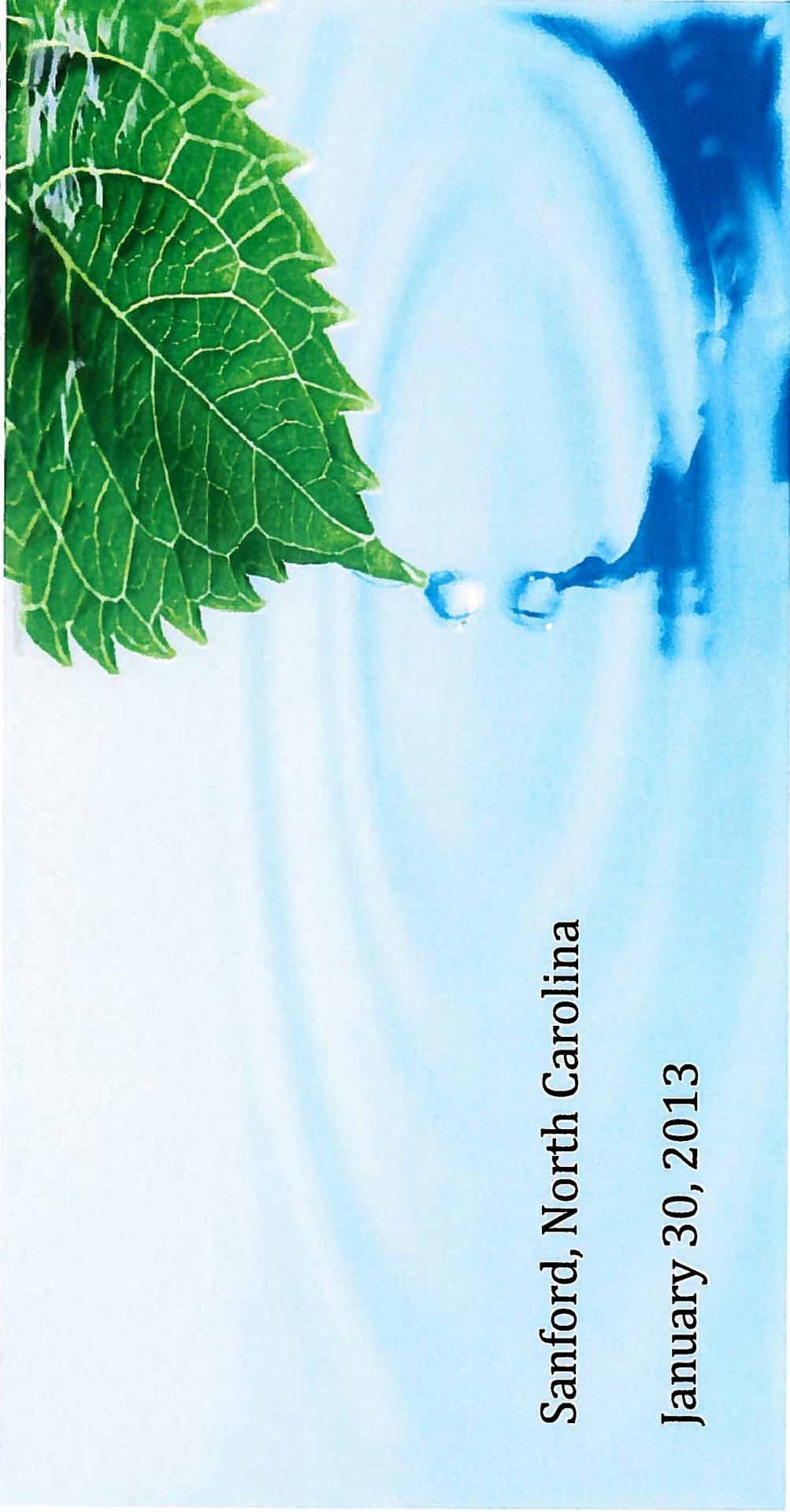
The Implementation Process is Easy:

- 1 Execute a simple, one-page contract, provided by USP
- 2 Provide a few pieces of information for use in the marketing materials:
 - City seal artwork, if available
 - Name/title of designated signor and their signature
 - City address for outer envelope
- 3 Approve the marketing materials

Program Benefits

- NO COST for the city to participate
- Educates residents on their responsibility
- Affordable rates for residents that are discounted further during the campaign outreach
- Service from trusted, local contractors keeps dollars in the community
- All repairs are performed to local code
- Timely water line repairs conserve water and reduce city water loss
- Timely sewer line repairs minimize community water pollution
- 24/7 customer service, 365 days a year
- Peace of mind for residents
- Reduces local official's frustration because of fewer resident complaints
- Potential to generate revenue for the city through royalty payments
- Easy access to monthly reporting details via the web





Sanford, North Carolina

January 30, 2013

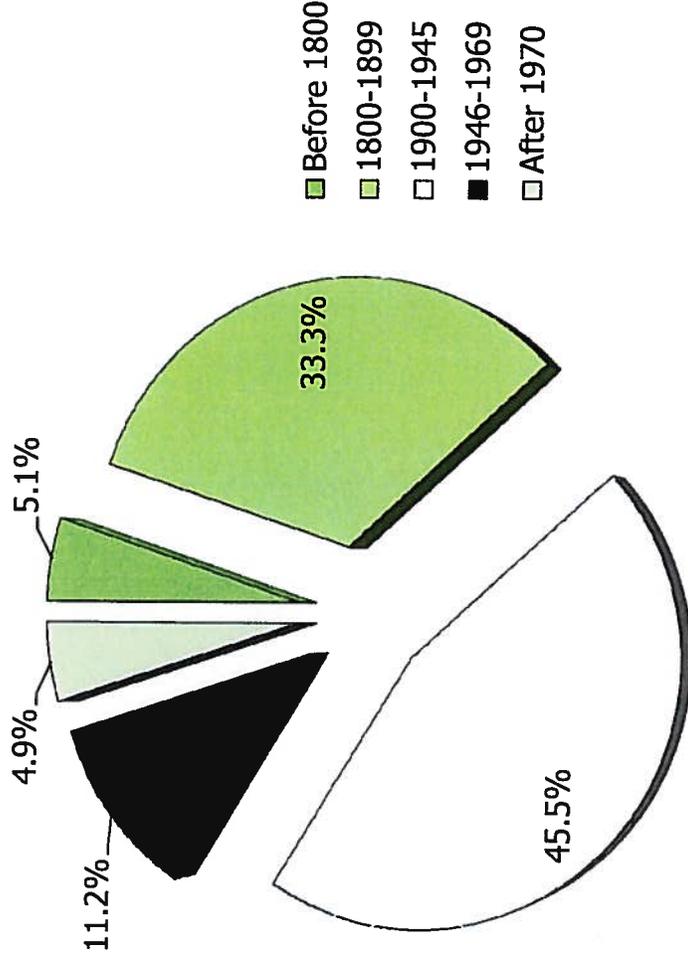
Building Peace of Mind, One Community at a Time



Average Age of U.S. Housing



- A housing survey conducted by the U.S. Census Bureau in 2009 found the median age of American houses to be 36 years, with 22.9 percent of homes built during the 1950s and 1960s.
- The Graph shows answers from over 1094 visitors to Old House Web
- Median age 1975

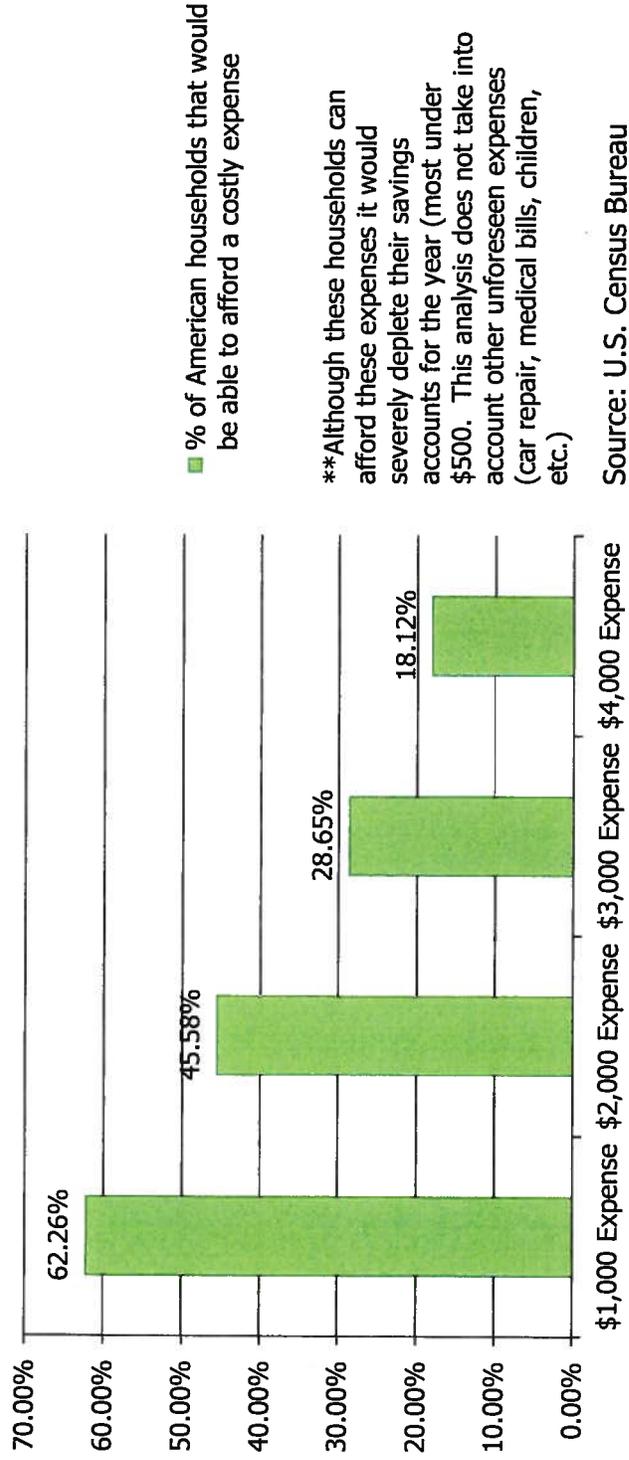


Families Struggle with Unplanned Expenses



➤ Did you know that only 18% of American households can afford a \$4,000 unexpected expense? In most cases, this type of expenditure would severely deplete their savings account, leaving no room for other expenses such as medical bills, auto or home repairs, etc.

% of American households that would be able to afford a costly expense



Service Line Repairs are Unplanned Expenses



- Homeowners are responsible for the repair or replacement of their utility service lines. Over time these lines will fail due to normal wear and tear.
- Repair costs range from a few hundred dollars to several thousand dollars depending upon many different factors such as length of line, depth of line, age and condition of materials, etc.
- Utility Service Partners in conjunction with the National League of Cities offers a program to protect your residents from the high cost of these repair bills.
- USP features two attractively priced products with no hidden service fees or deductibles, and no lifetime caps on coverage amounts.
- The program is designed to protect residents from the stress and high cost of utility line repairs, strengthen the integrity of the utility infrastructure (reducing water loss and waste water pollution), and generate incremental revenues through an affordable, value-added program.
- Both the external sewer line warranty and an external water line warranty are designed to cover the homeowner's responsibility for their portion of the underground lines.

Warranty Program Overview



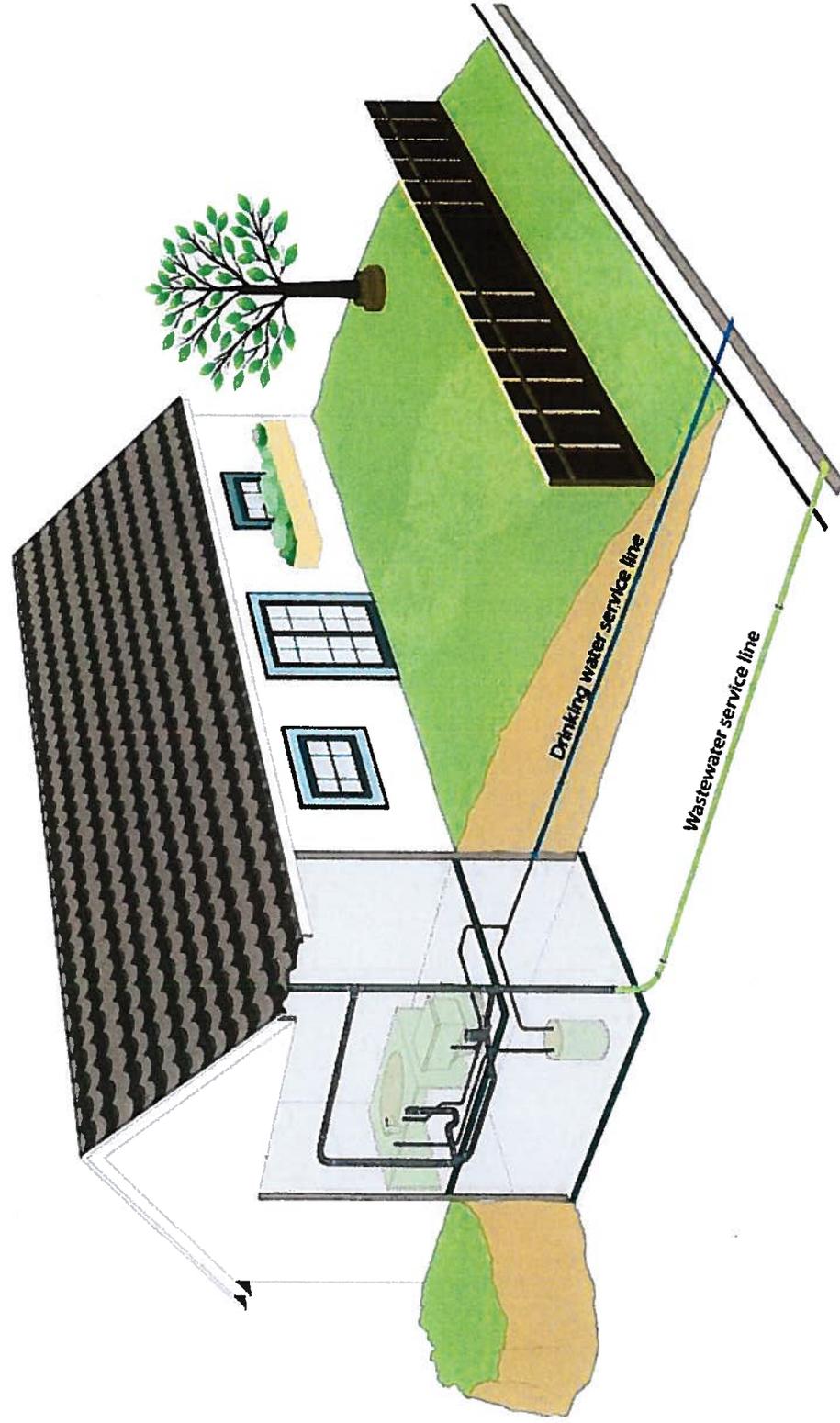
- These products are specifically designed for single family, residential homeowners who may not have set aside the funds required to make these often significant repairs.
- Products are tailored to meet the unique needs of each community to help reduce claim denials.
- At no cost to the City or liability to the city, you can offer your residents an alternative that is not currently available to them.
- Top quality products bring value to your customers, and satisfied customers bring additional value to your brand.

Program Highlights



- No cost to the City of Sanford to participate
- No liability to the City
- Generates revenue for the City should you elect to take the royalty
- Affordable rates for your residents
- Peace of mind for your residents and the City
- 24 / 7 personally staffed customer service
- Service from trusted, local contractors
- All repairs performed to local code
- Reduces local officials' frustration
- Fewer resident complaints and service calls
- Environmentally friendly

USP Water and Sewer Line Warranty Illustration



External Water & Sewer Line Product Overview



Product	Coverage Description	Coverage Limits per Occurrence
External Water Line Warranty	Covers the repair or replacement of a leaking or broken single underground water supply line serving the home. The warranty covers the consumer owned portion of the water supply line.	\$4,000 plus \$500 for public sidewalk repair
Product	Coverage Description	Coverage Limits per Occurrence
External Sewer Line Warranty	Covers the repair or replacement of a broken underground sewer line from the home to the connection with the utility sewer main.	\$4,000 plus \$4,000 for public street repair

- Provides protection from the point of entry at the home to the utility responsibility
- \$4,000 per occurrence, \$4,000 public street cutting, if necessary
- Must contact Service Line Warranties of America (SLWA) to file claims
- Local Contractor Network used for all repairs
- No Pre-existing Conditions

Marketing Approach



- With over 100 direct mail campaigns offering water and sewer line warranties, USP has been able to mine rich history to determine the optimal method and message for offering these products.
- USP relies solely on direct mail and public relations to generate awareness and interest in these products, no telemarketing.
- USP has found that sending the identical letter two weeks apart (with a header of "Reminder, Please disregard if you have already enrolled) significantly increases participation rates – to the tune of a 45% lift as a result of the second letter
- USP has also determined that these products are in fact seasonal, performing best in the spring and fall
- History has demonstrated that participation is optimized by offering the sewer line warranty first, followed by the water line warranty introduction
- Consumers can enroll one of three ways:
 - Calling the toll free number provided on the mailing;
 - Mailing in the Consumer reply portion of the letter in the envelope provided, or;
 - Visiting our consumer website www.SLWofA.com at any time during or outside of a campaign cycle

Public Private Partnerships



- Public entities are exploring public-private partnerships as a way to offset soaring budget deficits.
- Have been around since the 1990's, interest in public-private partnerships has gained increased momentum following the 2008-2009 economic collapse and subsequent decline in tax revenue
- Cities are exploring sponsorships ranging from beverage vending rights to naming rights deals.
- Many cities are finding success using sponsorship to generate new revenue streams and underwrite capital improvements
- They are using the funds to upgrade their parks with sustainable plants, an energy-efficient field house and other environment-friendly improvements.
- In addition to accessing new revenue streams, some cities have found success offsetting expenses through public-private partnerships.
- Only when it aligns with their objectives of benefiting the city and their residents by **Enhancing The Consumer Experience**

USP Customer Advocacy Results



BBB ACCREDITED BUSINESS SINCE 9/7/2007

Utility Service Partners

Phone: (866) 616-6764

Fax: (724) 229-4520

11 Grandview Circle, Suite 100, Canonsburg, PA 15317
bcarmichael@utilitysp.net
http://www.slwofmi.com



On a scale of A+ to F
Reason for Rating
BBB Ratings System
Overview

Customer Complaints Summary

[Read complaint details](#)

0 complaints closed with BBB in last 3 years | 0 closed in last 12 months

Complaint Type	Total Closed Complaints
Advertising/Sales Issues	0
Billing/Collection Issues	0
Delivery Issues	0
Guarantee/Warranty Issues	0
Problems with Product/Service	0
Total Closed Complaints	0

[Definitions](#) | [BBB Complaint Process](#) | [File a Complaint](#)

USP - Trusted Service Provider



- Endorsed by the National League of Cities
- Endorsed by North Central Texas Council of Governments
- Accredited by the Better Business Bureau with an A+ rating since 2007
- Clean Record with Regulatory Oversight with State Insurance Commissions and/or State Attorney General's Office
 - No fines, penalties, negative rulings, etc.
- Excel in all aspects of delivering successful programs to our clients
 - Marketing
 - Customer Service
 - Claims
 - Contractor Management

USP is Uniquely Qualified



Superior Product and Program Design

- Critical factors for a successful program include:
 - Broad, customer friendly coverage in the Terms & Conditions;
 - Ease of participation – easy to enroll, file a claim, or cancel;
 - Organizational culture focused on consumer advocacy (denied claims must be approved by Senior Management);
 - Affordable pricing, no hidden charges and attractive terms – month to month;
 - Small, local contractors committed to upholding USP customer service standards;
 - No up-selling of other products
 - Effective but honest campaign messaging.

Customer Service



Customer Service is the cornerstone of our business

- USP takes customer satisfaction very seriously.
- Internal call center with 24/7/365 personally staffed availability.
- USP strives to ensure that when customers need help the most - USP responds quickly, professionally, and provides exceptional service.
- Because of this commitment to excellence, less than 1% of all customer calls (claims and customer service combined) need to be escalated beyond one-call resolution.
- Our customer advocacy philosophy drives our customer satisfaction rating of 96%.

Low Claims Denial Rate



Customer Advocacy

- From 2009 through 2011 USP has processed 19,234 repair requests.
 - 325 claims denied
 - 1.7% denial rate
- The reason is simple – No claim can be denied without Senior Management review and approval.
- In addition to Quality Control Director review, the entire organization is actively involved with each claim denial.
- Given USP's customer advocacy culture, coupled with the close working relationships with small local contractors, USP is able to approve 98% of all claims filed; 99.9% of all claims filed fall within our coverage caps.

Philosophy of Customer Advocacy



Claims Processing

- When faced with the need for a repair, customers expect and deserve immediate assistance.
- USP provides assurance and support by using a simple, customer friendly approach.
- There are no forms or paperwork for the customer to complete.
- USP's claim process takes a lot of the unknowns out the equation. We identify the contractor, have rigid standards with regard to how quickly the contractor needs to be in touch with the customer and complete the claim, and we pay the contractor directly within 30 days.
- No further effort on the part of the customer is required.
- This approach maximizes customer satisfaction and minimizes concerns by the Board's public and regulatory stakeholders.

Contractor Management



Contractor Selection

- USP recruits only locally owned contractors. The reason for this is selfish and self serving – local contractors understand and appreciate USP’s customer service standards which are some of the highest in the industry
- Local contractors familiar with city code complete repairs effectively and efficiently, resulting in delighted customers.
- USP ensures that every participating contractor has both the desire and ability to quickly respond in their territory with the appropriate equipment and skilled labor.
- USP’s policy of exclusively using local contractors to perform the repairs drives our customer satisfaction rating of 96%.
- USP has a proven track record of developing and working with SBE contractors in cities such as Atlanta and Milwaukee.

Implementation is Easy



- Obtain Commission approval
- Execute the Marketing Services Agreement
 - Provides for the use of City logo on marketing materials
 - Indemnifies the City
- Review and Approve Welcome Kit Materials
 - Press Release
 - Web Banner
 - Marketing Letter
 - Approve Mailing List
- Access to Partner Portal
 - Secure access to important information about enrollments, claims, and royalty payments

Summary



You Can Trust USP To Take Care Of Sanford Residents

- We are the only company endorsed and branded by the National League of Cities
- We serve over 150 cities and towns including Milwaukee, Phoenix, San Diego, Plano, Atlanta, Ft. Lauderdale, Kansas City as well as smaller communities with only 100 households
- The only service provider with no complaints from the Better Business Bureau over the last 3 years
- We are not a telemarketer or a private utility company
- We will not up-sell other products to your homeowners
- Most experienced management team
- Coverages are tailored to address your community's unique requirements
- City of will enjoy maximum participation through USP's marketing efforts
- We are a trusted partner and solution oriented company

**AN ORDINANCE AMENDING THE ANNUAL OPERATING BUDGET
OF THE CITY OF SANFORD FY 2012-2013**

BE IT ORDAINED by the City Council of the City of Sanford, North Carolina in regular session assembled.

Section 1: The following amounts are hereby amended to ordinance 2012-37 per G. S. 159-15 for the continued operation of the City of Sanford, its government, and activities for the balance of the fiscal year 2012-2013.

**GENERAL FUND
APPROPRIATION OF FUNDS**

REVENUES			EXPENDITURES		
100045 30335	Miscellaneous	17,500	10015000 00000	Public Building	17,500
Total Appropriation		<u>\$ 17,500</u>			

Section 2. This ordinance shall be in full force and effective from and after the date of its adoption.

ADOPTED this, the 5th day of February, 2013.

Cornelia P. Olive, Mayor

ATTEST:

Bonnie D. White, City Clerk

Susan C. Patterson, City Attorney

2012-2013 BUDGET ORDINANCE AMENDMENT

GENERAL FUND

Appropriation of Funds - results in increasing of budget

Revenues

Miscellaneous	17,500	To budget proceeds received from Central Electric Membership Corporation for capital credits
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Expenditures

Public Building	17,500	To appropriate funds for purchase of land
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P.O. Box 3729
Sanford, NC 27331-3729

City of Sanford

777-1104
(919) 775-8211
FAX: (919) 718-6569
Email: susan.patterson@sanfordnc.net

Susan C. Patterson
City Attorney

MEMORANDUM

TO: Mayor and Members of the Council
Hal Hegwer, City Manager

FROM: Susan C. Patterson, City Attorney *SP*

DATE: January 23, 2013

RE: Request to Refund Late Listing Penalty
Central Carolina Hospital

We have received a request from Central Carolina Hospital to refund the late listing penalty in the amount of \$4591.53 for the years 2008-2011. According to the letter attached, the penalties resulted in the discovery of personal property which should have been listed, but was not, as an oversight on their part, or because it was on the asset list as real property. They say it was not intentional.

The total amount due for the late listing penalty as shown on the tax bill is \$10,968.66. Of that amount \$6377.13 is County and \$4591.53 is City. The Lee County Board of Commissioner's denied the request to refund the County amount of \$6377.13 at their meeting on January 22, 2013.

Attached is documentation to support this request. If you should have any questions, do not hesitate to call.

C P A C



Cert # 7011 3500 0000 1652 9343

December 19, 2012

Sanford City Council
P O Box 3729
Sanford, NC 27331-3729

RE: Central Carolina Hospital Account #18692, Tax Bill #7616
Petition to waive penalties from audit covering year 2008-2011

To Whom It May Concern:

Please accept this as written request to compromise on the supplemental tax in the amount of the penalties. The penalties are as follows:

2011 - \$936.66
2010 - \$1,779.11
2009 - \$2,862.62
2008 - \$5,390.65

The discoveries from the 2008-2011 audit are a result of software and building equipment not found in the fixed asset accounts usually reported as personal property, therefore, were not reported as an oversight, not intentionally. Further research shows these assets were not identified as taxable in the previous 2004-2007 audit finalized in 2008.

All efforts have been made by Central Carolina Hospital to remain in compliance with tax laws and regulations. At the time of this hearing, the tax and penalties have been paid in full so we respectfully request the Board consider a refund of the penalty amounts indicated.

Respectfully,

COMPLEX PROPERTY ADVISORS CORPORATION


Mary E. Evans, Agent
MEE/nb
Enclosures

COMPLEX PROPERTY ADVISORS CORPORATION

640 W SOUTHLAKE BLVD SOUTHLAKE TX 76092
T(817) 251 6666 F(817) 251 4833
CPACUSA.COM

LEE COUNTY

NORTH CAROLINA

Committed Today for a Better Tomorrow

RECEIVED

NOV 26 2012

CPAC

November 21, 2012

Mr. Gary Kallas
Complex Property Advisors Corporation
P.O. Box 92129
Southlake, TX 76092-0102



RE: Central Carolina Hospital
Account No. 18692

Dear Mr. Kallas:

Our auditors have revised their audit of October 11, 2012 to determine the accuracy of Business Personal Property Listings filed with this office for the years as reflected below. Please accept this as our official notice of our audit findings, proposed property discovery, and abstract correction as provided by North Carolina General Statute 105-312.

Summary of Audit Findings:

Machinery and equipment (M & E) and furniture and fixtures (F & F), and high-tech equipment costs have been updated for tax years 2008 through 2011 due to adding personal property assets to the returns that were originally listed as real estate.

Computer equipment (EDP) costs have changed slightly for tax year 2011 only.

Copier and copier (K-10) values have not changed.

A list of all unreported assets is enclosed.

Proposed Discovery:

<u>Tax Year</u>	<u>M & E Value</u>	<u>F & F Value</u>	<u>EDP Value</u>	<u>Copier Value</u>	<u>Hi-Tech Value</u>	<u>Copiers (K10) Value</u>	<u>Statutory Penalty</u>
2011	\$200,051	\$ 2,872	\$58,496	\$ 39,197	\$ 106,676	\$ (44,244)	20%
2010	232,412	3,278	74,812	52,291	153,613	(56,687)	30%
2009	257,168	3,644	67,424	55,367	230,420	(59,251)	40%
2008	496,195	3,928	40,034	43,426	298,693	(46,578)	50%

OFFICE OF THE TAX ADMINISTRATOR

P. O. Box 1968 • 106 Hillcrest Drive • Sanford NC 27331-1968
Tel 919-718-4661 • Fax 919-718-4633



Year	State	Property/Location	Situs Address	Collector / Account	RE/PP Consultant Due	Tax Amount	Status
December 2012							
Lee County Tax Collector							
2008	NC	Central Carolina Hospital 370	1135 Carthage Street Sanford	Lee County Tax Collector () 18692 - Supplemental	PP Dec/31/2012 MEE	16,170.76	No Activity
2009	NC	Central Carolina Hospital 370	1135 Carthage Street Sanford	Lee County Tax Collector () 18692 - Supplemental	PP Dec/31/2012 MEE	10,019.18	No Activity
2010	NC	Central Carolina Hospital 370	1135 Carthage Street Sanford	Lee County Tax Collector () 18692 - Supplemental	PP Dec/31/2012 MEE	7,709.48	No Activity
2011	NC	Central Carolina Hospital 370	1135 Carthage Street Sanford	Lee County Tax Collector () 18692 - Supplemental	PP Dec/31/2012 MEE	5,619.98	No Activity
Lee County Tax Collector					4 Tax Bills	PP 39,519.40 RE 0.00	
					Total	39,519.40	
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ReportTotal					4 Tax Bills	PP 39,519.40 RE 0.00	
					Total	39,519.40	

Tax Year	Discovered Value	DV + Penalty	Original Assessment	Final Assessment	Original Tax	Final Tax	Supplemental Tax Bills	Penalty (Tax)
2011	363,048	20%	435,658	9,344,764	9,780,422	120,547	126,167	5,619.98 936.66
2010	459,719	30%	597,635	9,358,638	9,956,273	120,726	128,436	7,709.49 1,779.11
2009	554,772	40%	776,681	10,462,374	11,239,055	134,965	144,984	10,019.18 2,862.62
2008	835,698	50%	1,253,547	12,136,141	13,389,688	156,556	172,727	16,170.76 5,390.25
			3,063,520	41,301,917	44,365,437	532,795	572,314	39,519.41 10,968.65

1813628-26-1-1

LEE COUNTY TAX COLLECTOR
106 HILLCREST DRIVE
PO BOX 1968
SANFORD NC 27331-1968

LEE COUNTY

NORTH CAROLINA

LEE COUNTY 2012 TAX BILL

Committed Today for a Better Tomorrow

1813628 4226-PTN 26 1 1 1



CENTRAL CAROLINA HOSPITAL
COMPLEX PROPERTY ADVISORS CORP
PO BOX 92129
SOUTHLAKE TX 76092-0102



RECEIVED
DEC 18 2012
CPAC

- * ESCROW/MORTGAGE ACCOUNTS: The Property owner is responsible for full payment of this bill. If your property tax is escrowed (paid by your lender) and they request your tax information, it will be sent to them. It is your sole responsibility to ensure that your mortgage lender has submitted payment of your taxes.
- * DUE DATE: Property taxes are due and payable September 1, 2012 and delinquent if not paid on or before January 7, 2013.
- * PARTIAL PAYMENTS WILL BE ACCEPTED: Account must be paid in full by January 7, 2013.
- * FAILURE TO PAY: Delinquent taxes are subject to garnishment of wages, bank attachments, debt set-off and foreclosure proceedings AFTER January 7, 2013.
- * PERSONAL PROPERTY TAX: Pursuant to N.C.G.S. 105-317.1(c), the taxpayer may appeal the value, situs, or taxability of personal property within 30 days after the date of the original notice. THIS DOES NOT APPLY TO REAL ESTATE.

ACCOUNT NUMBER	BILL NUMBER	TAX YEAR	BILL DATE	DUE DATE	INTEREST DATE																					
18692	7616	2012	12/12/2012	DUE UPON RECEIPT	01/08/2013																					
PARCEL ID / PPID	17535	REAL ESTATE VALUE: 0																								
DESCRIPTION	PERSONAL ONLY	FARM DEFERRED VALUE: 0																								
LOTS/ACRES		PERSONAL PROPERTY VALUE: 2,213,237																								
RETURN CHECK FEE: A penalty of 10% of the amount of check(s) returned by the bank because of insufficient funds or non existence of an account (Min. \$25.00 - Max. \$1,000) as provided by NCGS 105-357 (b)(2). Tax receipts are null and void if payment is made with a check that fails to clear the bank.		EXEMPTION VALUE: 0																								
TO PAY BY CREDIT CARD OR ELECTRONIC CHECK OVER THE PHONE:		TAXABLE VALUE: 2,213,237																								
		<table border="1"> <thead> <tr> <th>DESCRIPTION OF CHARGES</th> <th>TAX RATE</th> <th>AMOUNT DUE</th> </tr> </thead> <tbody> <tr> <td>CSF SANFORD</td> <td>0.540</td> <td>11,951.48</td> </tr> <tr> <td>G01 PP COUNTY</td> <td>0.750</td> <td>16,599.28</td> </tr> <tr> <td>Late List Penalty</td> <td>Interest</td> <td>10,968.66</td> </tr> <tr> <td>PRIOR YEARS DUE</td> <td></td> <td>\$0.00</td> </tr> <tr> <td>PAYMENTS/CREDITS</td> <td></td> <td>\$0.00</td> </tr> <tr> <td>TOTAL DUE</td> <td></td> <td>\$39,519.42</td> </tr> </tbody> </table>				DESCRIPTION OF CHARGES	TAX RATE	AMOUNT DUE	CSF SANFORD	0.540	11,951.48	G01 PP COUNTY	0.750	16,599.28	Late List Penalty	Interest	10,968.66	PRIOR YEARS DUE		\$0.00	PAYMENTS/CREDITS		\$0.00	TOTAL DUE		\$39,519.42
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CALL 1-800-272-9829		DUE TO POSTAGE COSTS, RECEIPTS FOR MAIL PAYMENTS WILL BE SENT BY WRITTEN REQUEST ONLY. RETAIN THIS PORTION AND YOUR CANCELLED CHECK FOR YOUR RECORDS.																								
TO PAY BY CREDIT CARD OR ELECTRONIC CHECK AT THE PROMPT, ENTER JURISDICTION CODE # 4351 OR VISIT www.officialpayments.com		QUESTIONS: TELEPHONE 919-718-4662 (COLLECTIONS) OR 919-718-4661 (BILLING)																								
There is a fee charged by Official Payments Corp. for this service.		OFFICE HOURS 8:00 AM - 5:00 PM, MONDAY - FRIDAY																								
		LEE COUNTY GOVERNMENT CENTER, 106 HILLCREST DR. SANFORD NC 27330																								

PLEASE RETURN THIS PORTION WITH PAYMENT

2012 PROPERTY TAX NOTICE

PIN / PPID: 17535
LOCATION: PERSONAL ONLY

ACCOUNT NUMBER	BILL NUMBER	BILL DATE	DUE DATE	INTEREST DATE	TOTAL DUE
18692	7616	12/12/2012	DUE UPON RECEIPT	01/08/2013	\$39,519.42

If you have prior year taxes due, remit payment in full with current year.
MAKE CHECK PAYABLE AND REMIT TO:

TO CHANGE YOUR MAILING ADDRESS, PLEASE MAKE CHANGES BELOW

NAME: _____
 ADDRESS: _____
 CITY: _____ STATE: _____ ZIP: _____
 CONTACT PHONE NUMBER: _____
 MAIL ADDRESS: _____

LEE COUNTY TAX COLLECTOR
PO BOX 63044
CHARLOTTE NC 28263-3044



CENTRAL CAROLINA HOSPITAL
COMPLEX PROPERTY ADVISORS CORP
PO BOX 92129
SOUTHLAKE TX 76092-0102

2520120000761600039519426

RESOLUTION SUPPORTING AND SEEKING LEGISLATION AUTHORIZING A MANDATORY
TEN (10) YEAR ACTIVE SENTENCE UPON CONVICTION OF A FELONY USING A
FIREARM IN THE COMMISSION OF THE CRIME

WHEREAS, North Carolina law defines serious crimes as felonies under Chapter 14 of the North Carolina General Statutes; and

WHEREAS, those crimes cause great harm to their victims; and

WHEREAS, when a firearm is utilized, there is a greater likelihood of victims, bystanders, law enforcement and others being killed; and

WHEREAS, many perpetrators of felonies utilizing a firearm are repeat offenders who have previously been convicted of a crime involving a firearm; and

WHEREAS, an additional non-discretionary mandatory active sentence imposed upon conviction of a felony when a firearm is used in the commission of the crime may result in fewer deaths, fewer crimes occurring or deter criminals from utilizing a firearm; and

WHEREAS, such legislation would improve the safety of citizens, law enforcement and the public.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sanford that;

1. The Sanford City Council supports legislation that would impose a mandatory ten (10) year active sentence on anyone upon conviction of a felony using a firearm in the commission of the crime.
2. Said legislation would require the sentencing for use of the firearm to run consecutively to any sentence imposed for the crime itself.
3. The Sanford City Council directs the city manager and city attorney to seek legislation in the 2013 legislative year by contacting their representatives in the North Carolina legislature to request such a law.
4. The Sanford City Council believes such legislation will deter crime and make the State safer for all the citizens.

This ___ day of _____, 2013.

Cornelia P. Olive, Mayor

Attest:

Bonnie D. White, City Clerk

DRAFT

BILL #
A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE A MANDATORY ACTIVE SENTENCE IF CONVICTED OF A FELONY USING A FIREARM

The General Assembly of North Carolina enacts:

Section 1. Mandatory sentence. Any person who is convicted in any court in this State of a felony if the person utilized a firearm during the commission of the felony, shall be sentenced to a ten (10) year active sentence of confinement to run consecutively to any other sentence imposed for the crime committed. Said ten (10) year sentence shall be mandatory and non-discretionary. Such persons shall not be eligible for parole, probation, work release or furlough.

Section 2. Proof at sentencing. Provisions of this section shall not be an element of the crime and notice thereof to the defendant shall not be required prior to conviction but reasonable notice of the State's intention to proceed under this section shall be provided after conviction and before sentencing.

Section 3. Authority of court in sentencing. There is no authority in any court to impose on an offender to which this section is applicable any lesser sentence or to place such offender on probation or to suspend sentence. Sentencing guidelines shall not supersede the mandatory sentences provided in this section.

This act is effective when it becomes law and is applicable to any sentencing hearings held on or after that date. All laws in conflict with this provision shall be amended to conform with this legislation.

In the General Assembly read three times and ratified this the ___ day of _____, 2013.

Dan Forest
President of the Senate

Thom Tillis
Speaker of the House of Representatives