

LAW AND FINANCE COMMITTEE MEETING
Wednesday, May 15, 2013
1:00 P.M.
Council Chambers

The Law and Finance Committee met on Wednesday, May 15, 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 Jimmy Haire
Mayor Pro Tem Sam Gaskin	Council Member James Williams
Council Member Walter McNeil, Jr.	Council Member Rebecca Wyhof
Council Member L. I. (Poly) Cohen	Council Member Charles Taylor
City Manager Hal Hegwer	Deputy City Clerk Janice Cox
City Attorney Susan Patterson	

Mayor Olive called the meeting to order.

Consider Resolution to Temporarily Close a Portion of Chatham Street in Support of the AAA, San Lee Chapter Antique Car Show – (Exhibit A)

Street Superintendent Magda Holloway explained this request is for June 1, 2013 for a street closure from Chatham Street to McIver Street for a car show again this year. All appropriate paperwork has been submitted.

Consider Discussion by Brad Simpson Regarding the Merger of the Economic Development Corporation and the Chamber of Commerce – Exhibit B

Brad Simpson stated that the Memo of Understanding has now been approved by the County, the Chamber of Commerce Board, and the EDC. The only remaining boards are the City of Sanford and the Town of Broadway. He noted a change near the end of the document pertaining to a loan that the County will be providing to the organization instead of the last sentence saying that the loan could include a clause for forgiving the loan at a future date. That sentence will be struck from the memorandum. Other than that, Mr. Simpson stated there are no other substantial changes in the document.

Mayor Pro Tem Gaskins verified with Mr. Simpson that the other three boards had unanimously approved the document. Council Member Taylor asked what could be done to shorten the duration of time before there is something operating. Mr. Simpson stated they would like to see it shortened and getting Council approval would allow them to move ahead with getting started. He stated that some of that will be predicated by the private campaign. Without the private fundraising and private capital infusion, the public-private partnership does not exist. They are trying to go beyond the under-funded organization of prior years. Mr. Taylor questioned The Town of Broadway having representation in the organization without a financial investment in it. Mr. Simpson stated that the framework of the organization has not been flushed out. They do not know yet if Broadway is going to be a funding member or a stakeholder going forward. Their budget has not been established yet. They are asking every organization to hold the line with their current funding and asking that of Broadway, as well. If the reality exists they

are not able to make a contribution because of their budget in this current year, they will still have a place on the Board if for no other reason than community spirit for the purpose of bringing all municipalities of government together with private industry. They will continue to ask for money.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford and the Sanford Housing Authority – (Exhibit C)

Assistant Director of Finance Beth Kelly stated that this amendment appropriates \$25,000 to the Utility Fund from Contingency for a Debt Service payment. From the General Fund, \$2,500 in revenue received from the sale of capital assets will be appropriated to the Central Office Department to purchase the paper supply.

Consider Memorandum of Understanding Between the City of Sanford and the Sanford Housing Authority – (Exhibit D)

City Attorney Susan Patterson explained that this is an agreement between the City of Sanford, the Sanford Housing Authority, and Duke Energy regarding the Wilrik Hotel. Both the City of Sanford and Lee County have a deed of trust on the Wilrik Hotel of \$250,000 each, plus the county has an additional \$90,000 deed of trust. The Sanford Affordable Housing would close on the purchase of that property and part of the purchase price would be a commitment to assist with the low and moderate income housing component which they would agree to continue to provide. In exchange, the city would forgive the mortgages and they would pay us roughly 10 percent (\$25,000). They have asked that we enter into this agreement (Memorandum of Understanding) provided that they close on or before June 30, 2013. Sanford Affordable Housing will pay us \$25,000 and the county \$34,000. They would make the payment to us at closing and then we would cancel the deeds of trust. They would agree to continue to provide housing for low-income residents of the city and county for a minimum period of five years. It was drawn up by attorneys for Sanford Affordable Housing Development Corporation and it may have a few amendments before it comes back before council. This recites the statutory references that allow us to provide funds or forgive debt to those entities carrying out a public purpose.

Executive Director Ken Armstrong stated that they have gotten back the Phase I Environmental Review on the property. A few things will need to be abated, but the cost appears to be less than \$10,000 for that aspect. Besides that, everything remains in place and they have already signed the commitment letter to BB&T to do the loan, so they are moving forward as fast as possible.

Mayor Olive asked how much they intend to spend to upgrade just the façade. Mr. Armstrong stated they are looking at adding \$25,000 to the loan and the Development Corporation is going to put in \$25,000 to \$40,000 so they are looking at having \$50,000 to \$60,000 to put into the project which would include upgrading the elevator system; starting the replacement of the HVA systems; and cosmetic things – floor repairs, paint, lights, security cameras, community spaces, etc. They have already bought a piece of property from the county on Linden Avenue. They plan to rehab that property and put three units there, hopefully to relieve some of the restrictions and allow for some retail space at the Wilrik.

Council Member Haire commented that Sanford is lucky to have the old hotels in such good shape.

Attorney Bill Wilson stated that he and Mr. Armstrong had appeared before the county as this memorandum also includes a provision for the county to forgive their debt also. They have agreed to that at the 10 percent rate. He hopes the city will do likewise so they can upgrade the Wilrik building and make it a showcase for Sanford.

Consider Renewal of Inmate Labor Contract with the North Carolina Department of Corrections – (Exhibit E)

General Services Director Tim Shaw stated this is a renewal contract for eight inmates for \$2,080 per year. The contract is the same as last year and was reviewed by the city attorney.

Consider Update on Waste Industries

Solid Waste Superintendent Larry Craig explained that the contract with Waste Industries has been signed and returned to Waste Industries and he is waiting for it to be returned to the city. City employees will be doing some training with Waste Industries near the end of June. Waste Industries has a Municipal Portal (computer program) for tracking work orders, complaints, additions, and deletions to our solid waste list. Staff will receive extensive training on this. Residents will be notified by multiple sources (post cards, calendars, city website, television station, etc.) about the changeover. Waste Industries will notify about 1,300 residents that they will have a pick up date changed. They feel it will provide better efficiency for their routing. Mr. Craig does not expect any problems. Waste Industries will be using three garbage trucks and two recycling trucks each day. The garbage trucks will come out of Fayetteville, load, and return to Fayetteville. They do not think they will need to make a return trip. Recycling trucks will return to Sunoco in Raleigh. Distribution of the brown carts will be staged at the fairgrounds starting the week of June 10. Residents will be notified when to put the old carts out for collection.

Mr. Craig reported that in the first four months of 2012, they picked up 244.94 tons of recycling. This year, 500.18 tons were picked up the first four months—a 104 percent increase in recycling. Last year, the garbage pickup was 2458.69 tons and has dropped back to 2207.24 for this year.

Mayor Pro Tem Gaskins asked if we had information on how Waste Industries is progressing for a transfer station. Mr. Craig stated that they are looking at two sites—one on Wilson Road and one on the old brick yard property. Mr. Gaskins asked about Waste Industries' hiring of Waste Management personnel. Mr. Craig stated that Waste Industries reported that several of those people had applied, and they are going through the process.

Consider Discussion Regarding Salaries and Expenses

Council Member Charles Taylor stated that when the commissioners voted to take the \$1.4 million from the city, one of the first reactions in the retreat was to look at tax increases of from \$.01 - \$.09. He preferred looking from within for cuts first. He stated that his take-home salary from the city is \$717.34 per month and council members are also provided free insurance. Mr. Taylor stated that he did not take the city-offered insurance, but pays for his through his

work. He proposed a reduction of 20 percent in salaries for city council members. He asked to put that to a vote. He also stated that when council attends the National League of Cities' conference, their per diem is \$150 per day while the average employee would only get the amount the Federal Government allows. He has not taken the per diem and cut expenses with his travel and hotel expense. Breakfast and lunch are often served on the floor of the convention. He asked council to look at reducing their salary by 20 percent and going back to the standard policy for per diem for every employee.

Council Member Wyhof asked how Mr. Taylor arrived at the 20 percent number. Mr. Taylor thought it should be cut more than that, but thought that was a happy medium for council to feel the pain a little bit and to send a message to the employees that the council cares enough about what they are doing to make a sacrifice themselves. He stated it was a matter of giving back and explained that he was starting a scholarship in his ward. Mr. Taylor asked that it be put on the agenda for the next council meeting. Mayor Olive stated that an option to consider could be forwarding their checks to their favorite charities.

Other Business

Council Member Taylor stated that today is Peace Officers' Memorial Day and Police Week. We pay tribute to law enforcement officers who serve and protect us who with courage and dedication. He thanked the officers for what they do.

Mr. Taylor stated that we had a very successful National Day of Prayer and prayer breakfast. He is glad that we can still acknowledge the need for prayer in our community.

Mr. Taylor is completing the draft for the Mining and Energy Commission study group and is hoping to take it to all the municipalities and counties in the Triassic Basin and funding group and get something in place by October 1. The next meeting will be in Chatham County on May 20 from 1:00-3:00 P.M. He hopes to present this to the City, the County, and the Chamber of Commerce.

Mr. Taylor reported on the ten-year mandatory second felony gun bill-- Senate Bill 676 will have its second reading today and will be voted on the Senate floor tomorrow in time for crossover.

Mayor Olive stated that this is national Nursing Home Week and encouraged people to visit the residents and take them something.

ADJOURNMENT

Having no further business to come before the council, the meeting was adjourned by motion of Council Member Poly Cohen; seconded by Council Member Walter McNeil, the motion passed unanimously.

Respectfully submitted,

Cornelia P. Olive, Mayor

ATTEST:

Janice Cox, Deputy City Clerk