

LAW AND FINANCE MEETING

Wednesday, June 12, 2013

1:00 P.M.

Council Chambers

The Law and Finance Committee met on Wednesday, June 12, 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 Gaskins	Council Member L.I. (Poly) Cohen
Council Member James Williams	Council Member Rebecca Wyhof
Council Member Walter McNeil, Jr.	Council Member Charles Taylor
City Clerk Bonnie D. White	City Manager Hal Hegwer
City Attorney Susan Patterson	

Mayor Olive called the meeting to order.

Consider Sister City Program – (Dr. Bud Marchant, Dr. Ling and Bill Horner III)

Bill Horner III, publisher of the Sanford Herald, stated that one month ago today, he and his wife visited Yixing, China. They traveled with a journalism professor from Chapel Hill to meet with groups of journalists in Yixing, China, which is the largest city in the world. He said that after meeting with the people, he could not wait to go back. In talking with people that travel to China, they love the experience and the Chinese people.

Mr. Horner said that the idea of the invitation to China was to share what community in the United States meant because there is no sense of community in China. The culture does not really allow a sense of community; it is not fostered like we do it here. He said that is one of the reasons why he feels establishing a formal relationship there would be so beneficial. By establishing a sister city program with Yixing, China, it would involve cultural exchanges, the education system, commerce and business. It is significant to establish a relationship between the people of this country and China. Mr. Horner shared three antidotes from his trip to illustrate why we should establish this relationship and spoke in support of this endeavor.

Dr. Ling, who heads up the Confucius Classroom at Central Carolina Community College, spoke about Yixing, China. She said it is a fate for Yixing and Sanford to find each other and to be a sister city because she has found so many things these two cities have in common. The locations and climates of these cities are very close to each other and the position of Sanford on the map of the United States is pretty much the same as the position of Yixing in the map of China. Sanford is in the center of North Carolina and it is very convenient from Sanford to many places; likewise, Yixing is also in the center of a very well developed triangle area in China. She said that it was only a two-hour drive from Yixing to three large cities. She said that both Sanford and Yixing were environmentally friendly cities. She said that Yixing was considered to be one of the most desirable cities to live in; with mountains, water, etc. She said the most important thing Sanford and Yixing have in common is the art of pottery. She said that

Yixing was famous for its clay soil, and was considered the pottery capitol of China. She said that 30,000 people were involved in the art of pottery in Yixing, and that there were more than twenty pottery businesses. She said; however, that there were differences between Sanford and Yixing, and the greatest difference being the population. She said there were approximately one million people in Yixing, as opposed to approximately thirty thousand in Sanford. She said that beginning July 1, 2013, a new means of transportation will be formally in use in Yixing called the Bullet Train. She said that it would only take one-half hour to go from Yixing to Shanghi, which was two-hundred miles. She said that the municipal government of Yixing was very interested in Sanford becoming a sister City.

Dr. Bud Marchant addressed the Council and asked them to formally establish an exploratory committee for Sanford becoming a sister city to Yixing. He said that he was excited about the possibility of working with a sister city in China, for not only cultural and education matters, but also because it would be an economic development tool. He said that the Confucius Classroom of CCCC would be happy to staff this committee, and would be responsible for calling the meetings, once the committee was formed.

Mayor Olive asked Dr. Marchant when the next cultural event would be. Dr. Marchant said that the National Opera would be coming to North Carolina in October, but he did not have a date at this time. He said that they were tentatively planning a performance at the Civic Center, but that they would also like to have an educational program. He said that they would probably invite the bands from Southern Lee and Lee High Schools as well.

Consider Presentation Concerning Results of City's Space Needs Assessment by ADW Architects – (Exhibit A)

Public Works Director Vic Czar informed Council that funds were appropriated in the FY 2012-2013 budget to evaluate the needs of office space for City Hall and the Police Department. He said that ADW Architects, out of Charlotte, North Carolina, had been engaged to conduct this study. Mr. Czar introduced Jim Powell, a partner with the firm, to explain the study. Mr. Czar said that they had found ADW to be very knowledgeable, and that they were very pleased with the work that they had done.

Mr. Jim Powell thanked Council for allowing ADW Architects to be a part of the Space Needs Study and provided a slide presentation of his study process (see Exhibit A). Mr. Powell gave an overview of the interview process that they conducted with City staff and department heads. He said that the study included potential changes in the City's services and facilities for the future.

Mr. Powell said that their Space Needs Study included discussions with staff about job tasks and how much space was required for performing those tasks, and the department heads were able to make final adjustments in identifying most future needs for office space for their departments. He said that they used sketches, and specialized floor plans to be more concise and illustrate more efficient office space needs. He said that they also compared historical growth of City personnel, ratio of City personnel to City population, and a comparative based study on similar sized communities (one with slow growth, and one with recent surge in growth) to

project future personnel for the City. He said the two cities they used for comparison were New Bern and Morrisville.

Mr. Powell said that they had a completely different questionnaire for the Police Department, because the Police Department had procedures required by law that they must follow. He said that they considered the Police Department's functional facility needs, such as locker rooms, ammunition rooms, etc., and worked with each area of the Police Department to create proposed operational efficient facility. He said that they saw a need for larger spaces for evidence, processing, and storage procedures areas.

Mr. Powell said that currently the City Hall departments use approximately 36,000 sq. ft. of office space between the Police Department, City Hall, Woodland Avenue Building, and the Federal Building. He said that there were several areas that needed efficiency improvements; one being the Community Development Department. He said that co-locating the entire department would eliminate duplication of many spaces. He said the study determined that newer, more efficient furniture would create operational efficiencies, and save some square footage. He said the Police Department was in need of significant modernizing upgrades and improvements.

Council Member Taylor asked Mr. Powell, if there was anything in his findings that would indicate the need for an audit of refining processes.

Mr. Powell said that an audit was somewhat out of their area of expertise; however, he said that they did not see any evidence of a need for an audit. Mr. Powell said that what they found were basically space related, and the design of the building.

Council Member Haire asked Mr. Powell if the two cities that he chose for his comparison study (New Bern and Morrisville) were based on growth, or had he done studies for them in the past. Mr. Powell said that it was based on growth.

Council Member Haire commended Mr. Powell on his presentation, and asked if the chairs in the referenced 860 sq. ft. patrol roll-call room would be attached to the floor or would they be folding chairs.

Mr. Powell replied that the chairs in the patrol roll-call room would be folding chairs, and that this room would also be a multi-purpose room. He said that there were a lot of rooms that could be used for multi-purpose rooms; both in City Hall and the Police Department. He said that from their prospective, a room had to be sufficient and used a lot, or it would be wasted space.

Mayor Olive thanked Mr. Powell for his very thorough work, and said that she looked forward to reviewing his reports.

Presentation of Bike Plan – (Exhibit B)

Downtown Development Manager II David Montgomery introduced Lindsay Smart, an Alta Planning Consultant, to present the City Of Sanford Comprehensive Bicycle Plan. Mr.

Montgomery thanked Council personally for their three years of support and financial assistance. He said that the City of Sanford was awarded a North Carolina Department of Transportation 2011 Bicycle Grant to develop this plan. He said this was a perfect opportunity to continue the City's vision of "complete streets," to see streets more than a way to get a motorized vehicle from Point A to Point B. He said that the 2010 Pedestrian Plan created a blueprint of a more walkable city, and we have seen the success as a result. Phase I of the Endor Iron Greenway is being used more than staff anticipated. He said that the City had been able to fill in gaps in the sidewalk network as a result of various funding sources, including Moore Street, Maple Avenue, and Woodland Avenue. He said that the Bicycle Plan would create a roadmap to a bicycle friendly community, and encourage education in Sanford and Lee County, that will help to enhance the health and fitness of residents, encourage diverse transportation options, spur the local economy, and improve environmental conditions, while contributing to a greater sense of community. Mr. Montgomery also thanked the community for their input into the Bicycle Plan, and particularly the Bicycle Steering Committee.

Mayor Olive asked the Bicycle Steering Committee members to stand and they were recognized by David Montgomery.

Mr. Montgomery pointed out that the plan presented today would be available on line for public view, which would allow for comments and suggestions of possible changes, after which, it would be brought back before Council for adoption.

Lindsey Smart, Alta Planning Consultant, gave an overview of the concepts of the planning process for the City of Sanford Comprehensive Bicycle Plan. She explained the public outreach and engagement efforts, and her presentation included the vision and goals of the Bicycle Plan. She also explained the streets which could be used for Multi-Use Side Path and Greenways (see Exhibit B).

Council Member Taylor applauded the work done on the City of Sanford Comprehensive Bicycle Plan Comprehensive Study. He said that this project gives credence to a study that was done by the National Highway Traffic Safety Administration. He said that in 2008 they determined that 47 percent of Americans would like a facility or mechanism to be able to bike. He said that biking is the second most popular outdoor activity in existence. He said that he had been following the work that had been done in Raleigh with their bike plan, and that they were really progressive on how they are going about it. He said he wanted to speak on behalf of the work that has been done on the City of Sanford Comprehensive Bicycle Plan. He said he thought it was great and that this project was parallel with something he had been working on with Kiwanis Park (Bike Skills Course) and that bicycling is a trend that is coming back. He said that the work done on this project gives credence to the work that they were looking at doing in Kiwanis Park and other areas.

Council Member Haire asked Lindsey Smart how wide the bicycle lane was on Vance Street and Third Street. Lindsey Smart said that the bicycle lane was four feet.

Council Member Haire commented that the presentation of the bicycle trail on Spring Lane showed both directions of lanes on the same side of the road, and asked her to explain.

Lindsey Smart said that bicycle lanes were striped on the outside of the automobile traveled lane, and that on-road projects always had cyclists going with the traffic flow. She said that a multi-use side path would be significantly wider than a bicycle lane, but that for a cyclist lane only, an 18-inch separation was required. She said that Spring Lane would require a five-foot separation from the flow of traffic, because it will be a cyclist and a pedestrian facility.

Council Member Gaskins asked how much of this work would be covered by the grant. Lindsey Smart said that the Planning Grant that funded this planning process only covered the planning aspect of the project. She said that the funding for the implementation process would have to be sought through other funding.

Council Member Gaskins commented that parts of Spring Lane, Carthage Street, and Wicker Street were NCDOT roads, and questioned if NCDOT would cover the funding for these streets. Lindsey Smart said that once the City has adopted a Street Diet, NCDOT would remove striping and replace it during their resurfacing schedule. Hal Hegwer said that the City received NCDOT's resurfacing schedules.

Mayor Olive recessed the meeting for a ten-minute break at 2:25 PM. The meeting was reconvened at 2:35 PM.

Consider Memorandum of Understanding Between the City of Sanford and the Sanford Housing Authority - (Exhibit C)

Attorney Susan Patterson presented the Memorandum of Understanding between the City of Sanford and Sanford Housing Authority. She said that upon the sale of the property Sanford Housing Authority would pay the City a sum of \$25,000 and that they were asking for forgiveness for the remainder of the debt, which was \$225,000. She said that they would also pay the County \$33,100 and ask them to forgive the balance of \$297,900. She said that the Sanford Housing Authority would commit to affordable housing for five more years to help the community with a public purpose. She said that the lawyers had worked out the details of the agreement and that it would be for Council consideration at the June 18, 2013, Council meeting.

Council Member Gaskins asked if this was a fifteen-year loan, and what kind of interest rate this would incur, because there were no interest payments between the times of the loan to present.

Attorney Patterson said that there was a thirty-year loan given in 1999. She said that there were thresholds of occupancy that they had to meet before any payments were due, and that to her knowledge; they had never met the thresholds or made any payments, so the current return on this loan is zero. She said that this would put \$25,000 into the coffers.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2012-2013 – (Hawkins Avenue Waterline Project) – (Exhibit D)

Public Works Director Vic Czar presented this ordinance and explained that there had been a project designated in their operating budget for five years that consisted of a water line

running up Hawkins Avenue to the Industrial Park. He said that this line would be a large distribution main; sixteen inches in size. He said it would help reinforce the water system for the existing Industrial Park, as well as, the expansion of it. Mr. Czar said that it was going to take a considerable amount of time to design this water line. He said that typically, utility improvements were completed in a relatively short period of time before new construction began; however, he did not know if the water line improvements could be completed prior to construction in this particular case. He said that this project would include the installation of five miles of sixteen-inch water lines. He said that he would like to move forward with the design portion of this project. He said that the contracts for construction of the around-a-bouts were to be let in April 2014, and that he would like to coincide the design of the water lines with the round-a-bout construction, because he felt it would significantly reduce the City's construction cost.

Council Member Taylor commented that he had a conversation with NCDOT and that he understood they had moved the construction date to June 2014.

Public Works Director Vic Czar said that this would still be a relatively short time-frame to get the water line construction completed. Mr. Czar said that this project had been in the CIP since 2008. Mr. Czar said funds were set aside in the FY-2012-13 budget for water line improvements and purchase of a sewer lift station in conjunction with Lee County for the expansion of the Industrial Park; however, he said that this project had not moved forward and he recommended setting these funds aside in a Capital Account to be used for the construction of the water line project. He said that \$2,000,000 would not cover the total construction cost; however, it was more than enough to cover the cost of the water line design, and also cover the cost associated with the installation of the portion through the round-a-bouts.

Mayor Olive asked Mr. Czar how long the water-line project would take. Mr. Czar said that the design of the project could take as long as one-year, because there would be issues with the railroad, the 421 By-pass, and the right-of-way between Weatherspoon Street and Burns Drive. He said that the issue would be determining where to locate this water line in such a way as to minimize some of the negative impacts, yet obtain the most benefits. He said that the construction following the design phase could be an eight to twelve-month project.

Consider Capital Project Ordinance - Hawkins Avenue Waterline Improvements – (Exhibit E)

Public Works Director Vic Czar recommended that Council incorporate the consideration of the Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2012-2013 for the Hawkins Avenue Waterline Project (Item 5 on the agenda) along with the consideration of the Capital Project Ordinance, and taking the money set aside for the Lift Station purchase and water line design for the expansion of Industrial Park, and segregate this funds into an account for the sixteen-inch water line.

Consider Discussion Regarding Ordinance Amending the Annual Operating Budget for Fiscal Year 2012-2013 – (Exhibit F)

City Manager Hal Hagwer said that there was \$2,000,000 quantified in the terms of the Bond Referendum regarding Parks and Recreation. He said that this was one of the areas of the

total bonds project. He said that they did not have any factual aesthetics to present to the public at this time concerning the details of the Bond Referendum.

Mr. Hegwer said that if they moved forward with this referendum, they had to have visual documentation so that people could understand what the \$2,000,000 was being used for. He said that the requested Budget Ordinance Amendment would transfer \$7,000 of appropriated funds out of the FY 2012-13 budget into the FY 2013-14 Annual Operating Budget in order to retain the services of an Engineer or a Landscape Architect to prepare visuals that will portray the details of the \$2,000,000 project. He said that he felt it was important to move forward with this project, and that he felt staff could put together some conceptual ideas during the remainder of the FY 2012-13 budget to present to the public.

Public Works Director Czar said that he felt that the project designs should also include what the splash pad may look like, the size of the parking that would be needed, and some indications of aesthetics such as landscaping. He said that there was more to the projects than a splash pad.

Council Member Taylor asked staff to contact some of the companies, before the Council meeting Tuesday, June 18, 2013, to see if they could provide some drawings, that would depict what type park could be built for \$1,500,000. He said that he knew these drawings existed, because Vortex had done a park in Singapore, and these drawings would give a good conception of the park. He said that he felt it would be an exercise in futility to approve \$7,000 without having some idea or engagement with a company that could potentially be the one to build the park.

City Manager Hal Hegwer said that he did not have a problem with talking with Vortex, or any other company that could provide sketches.

Consider Ordinance Amending the Annual Operating Budget for Fiscal Year 2012-2013 – (Conceptual Drawing of Splash Park) – (Exhibit F)

City Manager Hal Hegwer said that the ordinance amends the budget by transferring \$7,000 Skate Park Funds to budget funds to conceptual rendering of splash park designs.

Consider Resolution of the City Council of the City of Sanford, North Carolina Making an Additional Statement of Fact Concerning the Proposed Bond Issue – (Exhibit G)

City Finance Director Melissa Cardinali said that she and Janice Burke with First Southwest met with the staff of the Local Government Commission, and presented them with the application for the Bond issue. She said that at this meeting, First Southwest asked if Council would state in resolution, the maximum anticipated impact on the tax rate, which would be 5.20 cents. She added that this was not required by law; however, staff was asking Council to take this step in order to ensure that there would be no misunderstandings about the maximum potential impact these projects would have on the tax rate.

Mrs. Cardinali addressed Council Member Wyhof concerning a question she had in regards to the \$400,000 Airport Loan, and said that the staff of First Southwest stated that in

their opinion looking at the City's fund balance, which they viewed as being very solid, they did not view the loan as creating a negative rating.

Mayor Olive asked Mrs. Cardinali if the loan amount changed, would that make a difference in the rating. Mrs. Cardinali said that they were looking at the relative dollar amount, so if the amount was significantly higher, then they could change their opinion.

Consider Resolution Setting a Special Bond Referendum and Directing the Publication of Notice of a Special Bond Referendum and Notification of the Lee County Board of Elections – (Exhibit H)

Finance Director Melissa Cardinali advised that the resolution authorizing the City Clerk to notify the Lee County Board of Elections as to the specific wording regarding the balance for the four bond orders, and also adopt the bond orders as the Council has had them worded and presented in previous meetings. Mrs. Cardinali said that this was the last step to be taken by Council and then it would proceed forward to the public for vote.

Consider Utility Service Line Warranty Program

Attorney Susan Patterson said that the Service Line Warranty Program had a contract and that it was in the hands of the attorneys and being negotiated. She said that she hoped to have a contract for the Council to review at the Tuesday, June 18, 2013, Council meeting. She said that if the contract was not ready for the next Council Meeting, then it would be presented at the August 10, 2013, Law and Finance meeting.

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

Other Business

Council Member Wyhof commented that she hoped everyone had a chance to read the nice article in the Sanford Herald, and to drive out to see the new pedestrian crossing at Woodland Avenue and Main Street. She said she had several people to call her and express how excited they were about the increase of the walkability and the inter-connectiveness of the whole area. She said that she wanted to thank staff and NCDOT for completing this project.

Council Member Taylor commented that he was very displeased at the fact that Council has not had another budget meeting after he had requested it several times. He said that Council would be voting on the budget Tuesday night and that there were issues that needed to be answered and updates to be given on a possible early retirement plan and permitting for the Fire Department. He said that they were forcing the hand to hold a meeting.

Council Member Taylor also commented that he had received several calls concerning the performance of Waste Management in relation to trash pick-up. He commented that the City was in a transition time and that he hoped staff could address this issue. He added that he hoped the citizens would understand and be patient during this transition period.

ADJOURNMENT

Law and Finance Committee Meeting
June 12, 2013

Having no further business to come before the Law & Finance Committee, the meeting was adjourned upon the motion of Council Member Cohen. Seconded by Council Member Williams, the motion passed unanimously.

Respectfully submitted,

Cornelia P. Olive, Mayor

ATTEST:

Bonnie D. White, City Clerk