

LAW AND FINANCE MEETING
Wednesday, August 14, 2013
1:00 P. M. in Council Chambers

The Law and Finance Committee met on Wednesday, August 14, 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	Mayor Pro Tem Sam Gaskins
Council Member Walter H. McNeil, Jr.	Council Member Rebecca Wyhof
Council Member L. I. (Poly) Cohen	Council Member James Williams
Council Member Jimmy Haire	Council Member Charles Taylor
City Manager Hal Hegwer	Deputy City Clerk Janice Cox
City Attorney Susan Patterson	

Absent:

City Clerk Bonnie D. White

Mayor Olive called the meeting to order.

Consider Placing Flags at the Intersection of Horner Boulevard and Wall Street

General Services Manager Tim Shaw stated that a contractor had been contacted for a quote as the work is extensive with three wheelchair ramps that need to be redone and truncated domes placed in it. The quote was for \$6,300.

Council Member McNeil asked if it would be ready by Labor Day. Mr. Shaw stated they would do everything in their power through the contractor to get it done. Council Member Haire asked the reason that the flag had been left off this intersection. Mr. Shaw stated there had been some sight-distance issues and a decision was made to place it at the corner of Horner and Washington Streets at the MLK Memorial site to brighten that intersection. Mr. McNeil stated that he had been asked why that intersection was the only one without a flag. Council Member Williams inquired about the cost. Mr. Shaw stated the \$6,300 is for a turn-key job which includes traffic control, the flags themselves, the removal of some concrete with some underground phone conduit systems throughout the area, digging up one small tree, and there are two retaining walls. Truncated domes will be put in for the sight impaired.

City Manager Hegwer stated that the budget amendment may not be the entire amount; it is just an estimate they had received from one contractor. Council Member Taylor stated that the area in that vicinity around the overpass near the MLK Memorial is starting to erode with dirt falling on the sidewalk making that sidewalk impassable for people in wheelchairs and asked if the same contractor might look at this project at the same time. Mr. Shaw stated they could talk to some of the property owners, get engineering staff to look at it, and see about this contractor doing some work there.

Mayor Olive stated that that area is looking gorgeous—the way both sides of the overpass have been cleaned out and the landscaping and maturing bushes.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2013-2014 - (Exhibit A)

Assistant Director of Financial Services Beth Kelly stated that this amendment will appropriate \$33,302 of Contingency and \$5,298 of Fund Balance in the General Fund for the following items: \$32,300 for election costs related to the Primary; \$6,300 for installation of the flags at the intersection of Horner Boulevard and Wall Street discussed in Item A. It also appropriates \$1,500 of Contingency in the Utility Fund for a replacement computer required to support the new telephone system and reporting software used in the Utility Administration Department.

Mayor Pro Tem Sam Gaskins asked if this would be better to come out of Fund Balance because the budget is tight and the Contingency might be needed elsewhere. Mrs. Kelly stated that, typically, they try to use the Contingency first before any Fund Balance. The balance of the \$5,298 will come out of Fund Balance because the Contingency will zero out after the \$33,000 is taken out. Mr. Hegwer stated that we budgeted half of what we usually budget for Contingency. This year just under \$50,000 was budgeted for Contingency instead of the normal \$100,000.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2013-2014 – (Exhibit B)

Financial Services Beth Kelly stated that two actions would need to be approved by council at the next council meeting pertaining to this item. The first action would be approval of an additional customer service representative position for a four-week time period in the Utility Fund Administration Department. The second action would be the approval of the corresponding budget amendment for the additional funds of \$3,000 needed. A customer service representative has accepted the retirement incentive package approved by council. This will make her retirement effective October 1; however, she will use six weeks of vacation prior to that retirement date, leaving us short-staffed in the customer service representative area. Mrs. Kelly stated that being short-staffed in this area affects our level of customer service and other staff's ability to take vacation due to maintaining coverage. They would like to get someone in to train and work before the October 1. Mr. Hegwer stated that this position would go away after one month, but they cannot fill the position with someone still in the position. Council Member Taylor asked if it were likely that this person would become a candidate for filling the vacancy. Mrs. Kelly stated that it would likely be the person hired.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2013-2014 – (Exhibit C)

Communications Supervisor Pat Garner stated that this is a budget amendment in the amount of \$52,081 refundable by 911 Funds. He has spoken with the County and they are in agreement. As soon as we make the necessary changes in our budget, they will do the same. This is to install an upgrade to our 911 System downstairs. This will bring our equipment up to par to communicate with the equipment at the Sheriff's office. Mr. Garner also asked Council to approve the City entering into a products and services agreement with Century Link to install this updated equipment.

Council Member Williams asked if the wording of “Viper” upgrade had anything to do with the radios used. Mr. Garner stated that it did not. The state named their 800mgh radio system Viper and Positron named their 911 System Viper.

Consider Resolution Directing the Clerk to Investigate a Petition Received Under N.C.G.S.160A-31 – (Exhibit D)

Community Development Director Bob Bridwell stated that this is a request by Solus, Inc. to initiate its annexation process, but it is all for the transfer station for Waste Industries off Wilson Road. There was a small part of that property that was not annexed with the rest of the property. This would put all of the land in the City Limits.

Consider Request to Loan Approximately \$600,000 to the Airport Authority for Construction of T-Hangars

City Manager Hegwer stated that this request is to fund construction of twenty-six to twenty-eight T-Hangars. The project is now in the design process, but the project will be bid soon and they will come back with more specifics on the total amount of the loan. They are looking at about a ten-year period with an interest rate to be determined, but the Airport Authority felt that in order to move this forward with a time frame that we are under, to try to get the hangars occupied as quickly as possible to build the tax base. The T-hangar loan is a temporary construction loan. This is a permanent loan over about a ten-year time period.

The City and County have an existing loan to the Airport Authority now for T-Hangars at the airport. The Airport Authority payment is about \$137,000 a year, repaid to City (50 percent) and the County (50 percent). All of this has to be approved by the Local Government Commission and it will come back before Council once they get bids and understand the total amount they are dealing with.

Council Member Poly Cohen stated that we have more planes that are looking for hangars than we are building, so we will probably have to build more hangars in the near future to help bring some more planes in. He stated that everything is going great at the airport.

Mayor Olive asked how much interest we were getting now from the existing loan. Mr. Hegwer stated that the existing loan is at 5.25 Percent. It will be Council’s decision about the interest rate for the new loan. The first loan is a temporary construction loan for six months. It needs to be the same rate for both the City and the County. The Airport Authority requested a market tax free rate.

Council Member Williams asked how much the county had been asked to loan. Mr. Hegwer stated that it was the same -- \$600,000 from each entity for the T-Hangars. A possible \$400,000 could come from both the city and the county as a temporary construction loan for the upfit for the Forest Service Hangar. That is a short-term, six-month project.

Consider Solid Waste Fee Refund – (Exhibit E)

Public Works Administrator Laura Spivey explained that Jennifer Michelle, Jesse Edington, and Darlynda Robichaund, the owners of a mobile home located at 2710 Little Creek Road, are requesting a refund of a portion of the solid waste fees paid on the property. The mobile home has not served as a residence since 1995. The 1964 model mobile home is being used for storage. Solid Waste Superintendent Larry Craig has verified that the mobile home is not livable, did not have a meter, and was not occupied. The Lee County tax office verified that solid waste fees were charged and paid since 2004 in the amount of \$950.00. General Statutes allow refunds up to five of the previous years for payment of taxes or fees that were improperly billed, with approval from the governing body. The refund amount (\$550.00) would equal fees paid from 2008 through 2012.

Council Member Cohen asked what the previous policy had been. Mrs. Spivey stated it is not something that comes up often, and in the last ten to fifteen years, there has been only one refund issued for a fee that was improperly billed. Manager Hegwer stated that some of these are caught during an audit performed from time to time. Council Member Taylor stated he is concerned about the duration of nine years and it being the property owner's mistake. He gave the example of subscribing to a service that is not used. He feels this could set a precedent in other areas.

Consider Discussion Regarding Parking on Main Street – (Exhibit F)

General Services Director Tim Shaw explained that there has been interest in removing the two-hour parking along Main Street in Jonesboro. A foot survey was conducted on August 1 and 2 by the Street Department going in the businesses to see if they wanted two-hour parking. The results were that six wanted to keep the two-hour parking; seven were willing to remove the two-hour parking; four had no opinion; and one business was closed. Council could remove all two hour parking; leave as is; or just remove it in front of businesses that request it.

Council Member Wyhof asked if the issue was about a specific business that needed more than two-hour parking. Mr. Shaw stated the two-hour parking was established in 2006 to solve the problem of people parking daily in front of a business. Some spots have had two-hour parking removed by request. Council Member Williams asked if the people who wanted to keep the two-hour parking were located on the side of the street where the parking lot is or the opposite side of the street. Mr. Shaw did not conduct the survey, himself, so he did not know the answer to the question. He was aware that Windham Electronics wanted to keep two-hour parking, but he does have the parking lot at the end of his store. The Beauty Shop wanted to keep the two-hour parking. Council Member McNeil stated that he thinks the two-hour parking should be kept because if it is changed, we will go back to what we had before 2006 with people parking again in front of their businesses and the same complaints will arise again. Council Member Cohen stated that there are a lot of cars parked on Main Street all the

time and it is difficult to find a parking spot on Main Street. He believes two-hour parking needs to stay.

Consider Recognition from the North Carolina Environmental Protection Agency in Achieving Performance Goals at the Water Treatment Plant – (Exhibit G)

Water Plant Superintendent Scott Christiansen shared a letter received from the Environmental Protection Agency from Atlanta, Georgia – Region Four which is the region we are in. The letter is highlighting one of our accomplishments for the water plant and for the city. The letter congratulates the city and water plant on meeting goals set by the North Carolina Department of Environmental and Natural Resources for optimized drinking water treatment plant performance for turbidity during 2012. Mayor Olive congratulated them on the good work and they were given a round of applause.

Consider Update on Information Campaign for the Bond Referendum

Public Information Officer Kelly Miller gave an update on the campaign for the bond referendum. The information on the website is updated frequently as questions arise. There are links to all the plans and studies. A new page has been created that is a roundup of media articles, letters to the editor, and editorials to give people an idea of what is being published about the bonds. Static displays are set up at the Lee County Library, the McSwain Center, the Enrichment Center, and City Hall. Clearance has been given for them to set up at Central Carolina Hospital and Lee County Government Center. There are brochures available upon request, at speaking engagements, and at the displays. There are posters that are available upon requests, at speaking engagements, and at National Night Out. The brochure will be in every water bill for the next four cycles, starting August 4 and ending September 6 for 9,250 residents. Community Development Director Bridwell has been speaking at civic group meetings and they are happy to speak upon request. They have a power point presentation as well as the poster and brochures. There are slides on the city's television station that have both general voter information and information on the bonds as well as telephone number, web address, and email that people could use to get additional information.

Mayor Pro Tem Gaskins stated that he thought Mrs. Miller (Public Information Officer) was doing an outstanding job with the help of the Sanford Herald. He encouraged her to continue doing what she was doing. He pointed out that Finance Director Melissa Cardinali and Assistant Director Beth Kelly had also been out speaking. Council Member Williams stated that the people he has talked to seem to be in favor of all the bonds. Their only concern is a tax increase. He is telling them the bonds could be as far out as seven years, with a three-year extension, if needed. He is also telling them that, hopefully, by the time that is reached, the tax base will have grown to the point they may not have to raise taxes. He wondered if that could be incorporated into their talks. Mrs. Miller stated that they do discuss the potential tax impact of each project individually and then the four projects as a whole. There is a separate page on the website that has that information.

When Mr. Bridwell does a presentation, he points out that not all the projects would be done at one time. They would have seven years to begin the projects. Council Member Cohen stated that he was in favor of all the bonds. He stated that they would make our city grow and if we don't do it, we will be like a little town south of us that is a dead little town. We want economic development. Council Member McNeil stated that the most concern he has heard has been on the walking trail. They don't understand that most of the money will be spent from the hospital to Kiwanis Park. They think it is going out to the Iron Furnace. He thinks that needs to be a clarification as a lot of people are confused about that. Mr. Bridwell stated that the biggest criticism he has heard is why we are not going out to the Iron Furnace. They are trying to make clear that it is an urban trail going to Depot Park and City Hall. Most of the comments he has been getting back indicate that people are enthusiastic. Mrs. Miller explained that information is available by email at bonds@sanfordnc.net as well as in the Public Information Office.

Other Business

Council Member Charles Taylor extended sympathy to the family of Daryl Gilmore who recently passed away. Mr. Gilmore was a Water Construction and Maintenance Crew Supervisor who was recently named Public Works Employee of the year. (Exhibit H)

Mr. Taylor requested the number of tickets that have been written in Jonesboro for exceeding the two-hour parking limit and to see how many have been prosecuted in the last five years. He stated that we had a good National Night Out and the weather cooperated. One feedback he got back from several sites was how political this event has gotten in recent years. He stated that at six of the eight sites he visited, they had some healthy discussion. Mr. Taylor stated that the true meaning of NNO is to get out and engage your community, but also a big component of this is crime and unfortunately we have gone down the path of making this political and he hopes they can return to the true meaning of what it was to begin with.

Mayor Olive stated that she felt the same thing and she feels it is important to let people know that this is about engaging neighborhoods and citizens in meeting our police officers and our fire department personnel and not to be any kind of political gathering. That is not the spirit of what this (NNO) is intended to be.

Council Member Wyhof extended her condolences to Daryl Gilmore's family. She thanked the neighborhoods she visited during NNO. She felt there was a very healthy conversation going on about the bonds. People expressed appreciation to her about getting to talk about it and get questions answered and talk among their neighborhoods about the kind of community they wanted Sanford to be. She also wanted to let people know that some City Hall employees are working on a St. Baldrick's event—shaving their heads to raise money for childhood cancer. She applauded them for their effort.

Council Member McNeil conveyed his condolences to the Daryl Gilmore family. He thanked Public Information Officer Miller for her work on National Night Out. They had the largest number of participating sites this year and the turnout was very good at all places.

City Manager Hegwer stated that in the *Southern City*, a publication of the North Carolina League of Municipalities, Sanford made this edition in several places. There is an article on the

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Benjamin Moore Main Street Matters campaign and one on the Mayor's Housing Task Force that is being recognized across the state. Another article is "Sanford Block Party Showcases the City's Spirit." There is an article about Greenville, North Carolina, talking about their parks and facilities featuring a splash pad concept. It also includes articles on two other cities that have just been named All American Cities, Dunn with center city revitalization and Garner with upgrades to sidewalks and greenways to connect parks, schools, and neighborhoods; get a new recreation center, town hall, police station; and make road improvements and land purchases to develop downtown.

Mayor Olive shared a conversation she had about the bond referendums during National Night Out visits where one person did not think people could afford the bonds, but the overall opinion of the group was in favor. She expressed her concern for the Gilmore family, stating that the city had lost a good employee.

Council Member Williams stated that he had read in the newspaper that Dunn had recruited a new industry close to Highway 95 and that Dunn gave them an 80 percent tax incentive to locate with a ten-year payback. Council Member Haire stated that the company is Rooms to Go and they have only two places in the United States where you can go in and buy furniture.

Council Member James Williams made a motion to adjourn; seconded by Council Member Jimmy Haire; the motion passed unanimously.

Respectfully submitted,

Cornelia P. Olive, Mayor

ATTEST:

Janice Cox, Deputy City Clerk