

LAW AND FINANCE MEETING
Wednesday, September 11, 2013
1:00 P.M. in Council Chambers

The Law and Finance Committee met on Wednesday, September 11, 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 Rebecca Wyhof	Council Member Jimmy Haire
Council Member Walther H. McNeil, Jr	Council Member James Williams
Council Member L. I. (Poly) Cohen	City Clerk Bonnie D. White
City Manager Hal Hegwer	City Attorney Susan Patterson

Absent:

Council Member Charles Taylor

Mayor Cornelia Olive called the meeting to order.

Consider Grant Project Ordinance – North Carolina Housing Finance Agency – (Exhibit A)

Community Development Director Bob Bridwell explained that the ordinance sets the grant up for the Urgent Repair Program for 2013. The City received \$75,000 in grant funds and the City's local match is \$2,000. Mr. Bridwell presented an outline of the program, and he noted a correction to the eligibility of participants, which should reflect City of Sanford and Lee County residents.

Council Member Wyhof asked Mr. Bridwell if the inclusion of Lee County citizens as recipients of the 2013 Urgent Repair Program was part of the joint City/County departments.

Community Development Director Bob Bridwell said that it was a City/County application, and that it was beneficial in obtaining grant funds to include Lee County residents as a part of the Grant program.

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

Community Development Director Bob Bridwell explained that the ordinance appropriates the \$2,000 local match for the 2013 Urgent Repair Program.

Consider Approval of Policies Related to the 2013 Urgent Repair Program with the NC Housing Finance Agency

- Assistance Policy – (Exhibit C)
- Procurement and Disbursement Policy – (Exhibit D)

Community Development Director Bob Bridwell explained that these policies describe who is eligible to apply for assistance under the program, and how applications for process will be managed.

Consider Ordinance Amending the Annual 2013-2014 Operating Budget

Shop Superintendent Randy Paschal informed Council that the City sold some EDC capital assets through his account at Gov.Deals. He explained that the Gov.Deals representative was supposed to run the sale through EDC's account; however, it was mistakenly run through the City's account. Mr. Paschal told Council that \$5,148 needs to be paid to EDC from proceeds of sale for this transaction.

Shop Superintendent Randy Paschal informed Council the City's auction went well; they sold over \$100,000 of merchandise. He said that there were over 2,500 – 3,000 visitors looking at the merchandise that was posted on the City's Gov.Deals auction.

Consider Entering into an Agreement for the Design of the Hawkins Avenue Waterline Project – (Exhibit)

City Engineer Paul Weeks stated that in June 2013, Council set aside \$2,000,000 for the design and construction of the Hawkins Avenue water line, which is a sixteen inch main that will run from Weatherspoon Street to Deep River Road. Mr. Weeks explained that the purpose of the sixteen inch main was to augment the water supply to Industrial Park, which is poised for growth. Mr. Weeks said that Public Works put out a request for qualifications soon after the funds were set aside, and that they did so quickly because NCDOT was in the process of designing round-a-bouts for US #1 and Hawkins Avenue. Mr. Weeks said that in discussions with NCDOT Engineers, they felt that there would be a cost savings to the City of Sanford if they incorporated the water line design within their work. Mr. Weeks said that NCDOT was planning on letting the project in May 2014, with a potential July 2014 start date. Mr. Weeks said that they had put out an RFQ and had received ten (10) responses, and had formed a committee to review each of those responses from engineering firms. He said that each response was scored from each engineering firm, and they invited the top three (3) firms to come in and give a presentation, Mr. Weeks said that based on these presentations, they selected Withers and Ravenel, Inc. as the top choice, and entered contract negotiations with them. Mr. Weeks said that the cost of this project was \$165,000, and included the survey and design of the project, which would run along Hawkins Avenue.

Mayor Olive asked Paul Weeks if this proposed water line would be located where the current water lines are?

Mr. Weeks said that they would maintain the existing water lines, but that the proposed line would not be in the same location as the existing water lines. He said that this line would be an addition to the existing water line, and used for a transmission main for the Industrial Park. Mr. Weeks said that they were hoping NCDOT would allow them to place the water line under the street; however, it would be for the engineers to decide. He said that they were planning on putting it on the west side of Hawkins Avenue.

Mayor Olive asked Paul Weeks how long the project would take once it got underway; how long there would be disruption on Hawkins Avenue. Mr. Weeks replied that the project could take from one and half to two years. Paul Weeks said that there was a lot of congestion from Weatherspoon Street to Burns Drive. He said that there would be several businesses

affected by this work, which would require a great deal of communication between the City and these businesses, as well as the engineers.

Council Member Williams asked Engineer Paul Weeks if this project included a sewer line. Mr. Weeks said that the project was for a water line only, that it did not include a sewer line.

Council Member Williams asked Engineer Paul Weeks if the water line would run up Deep River Road. Mr. Weeks said that the water line would run up Deep River Road and tie into the existing twelve (12) inch water line.

Discussion of Letter Regarding Annexation Off US 421 N.

City Attorney Patterson said that the City had received two letters for Council's consideration prior to this meeting, regarding annexation from J & G Machinery, or Triple J Limited Partnership, and Bost Distributing Company. She said that the letters were requests to modify their Annexation agreement that was signed in 2008. She said that if Council wanted to modify these agreements in any way, the best time to do so would be at the September 17, 2013 council meeting, because the deadline would be September 20, 2013, to file their petition for annexation. Attorney Patterson said that the letters were requesting that the City not annex their property until they were contiguous with the corporate City limits. Attorney Patterson said that if Council chose not to add these requests to the council agenda, then they would proceed with the consequences called for in the agreement.

Mayor Pro Tem Gaskins asked Attorney Patterson if the amount paid for water and sewer by J & G Machinery and Bost Distributing Company, combined, exceeded the amount of property tax. Attorney Patterson replied that she had not reviewed these properties individually; however, separately, one used more water and sewer than the other one. Attorney Patterson said that she believed that one would pay more in taxes because the water and sewer usage was lower than the other, but their taxes would be less. Attorney Patterson said that both parties were aware that the agreement they signed in 2008 called for a five-year time period that they would receive water and sewer before they would be required to petition for annexation. Attorney Patterson said the time period had come to the point that they needed to petition for annexation.

City Manager Hal Hegwer said that staff would compile the additional information for Council to assist in making their decision.

Mayor Pro Tem Gaskins commented that from the letters, it appeared that both parties had had made major contributions toward the extension of utilities to their properties, and that he felt Council should take this into consideration. Mr. Gaskins said that he felt both should be treated equally, and that it would be a reasonable alternative to review this at the September 17, 2013, Council Meeting.

Council Member Haire commented that both parties make good points and that the letters were well written.

Council Member Williams commented that the letters indicated that sewer was their greatest need and that sewer was not available to J & G Machinery.

Public Works Director Vic Czar said that sewer was available; however, there was capital expense that they would have to incur to obtain the sewer service.

Other Business

Mayor Pro Tem Gaskins and Council Member Williams wished Council Member Wyhof a happy birthday.

City Manager Hal Hegwer asked that Larry Craig brief Council on the Compost Facility. Larry Craig informed Council that there was currently an overstock of wood chips at the Compost Facility. Mr. Craig said that in 1996 during the period of Hurricane Fran, Council had agreed to sell the overstock of chips for \$1.75 per cubic yard, in order to reduce the stockpile. Mr. Craig said that they had contacted the people who had bought the chips in the past, but that only one was willing to pay for the chips at this time. Mr. Craig said that they had even posted the chips on Craig's List, with no results. Mr. Craig said that Brooks Contractors had stated that they would remove the chips but they did not want to pay the City for the chips. Mr. Craig said that yesterday, he was offered \$50 per tractor trailer load by Elkins Sawmill to remove approximately fifteen (15) loads. Mr. Craig said that they usually had to haul off 40-50 tractor trailer loads when they ground the debris. Mr. Craig asked Council for approval to allow Elkins Sawmill to remove these chips.

Council Member Williams asked Larry Craig if they could open the chip offer to the public. Mr. Craig said that they could; however, the City grinds approximately 4 cubic yards of chips per collection, and a pickup truck would haul approximately 60-80 yards per load, and that would not be sufficient to make room for the new grind.

Mayor Pro Tem Gaskins asked Larry Craig if he had received any communication from Pfizer concerning purchasing these chips. Larry Craig said that he had communicated with Pfizer, and there were some issues with their equipment.

Larry Craig said that they were trying to correct the issues with garbage collection and that it was working well.

Mayor Olive asked Larry Craig the status of the Transfer Station. Mr. Craig said that Mr. Habets informed him that they hoped to have a ground breaking in November and be in operation in February.

Attorney Patterson said that they were in the annexation process for this property with Council, and then once this is complete, they will have sixty (60) days to rezone the property. Then it will be up to the State's requirement for licenses to use this property for this purpose.

Closed Session

Attorney Patterson informed Council that they needed a motion to go into Closed Session, in accordance with North Carolina General Statutes 143-318.11 (a) (3), to consult with an attorney employed or retained by the public body, in order to preserve the attorney-client

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privilege. Council Member McNeil made the motion, seconded by Mayor Pro Tem Gaskins, the motion carried unanimously.

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

Return to Regular Session and Adjournment

Council Member Haire made the motion to adjourn. Seconded by Council Member Wyhof, the motion carried unanimously.

Respectfully Submitted,

CORNELIA P. OLIVE, MAYOR

ATTEST:

BONNIE D. WHITE, CITY CLERK