

MINUTES OF MEETING OF THE
CITY COUNCIL OF THE CITY OF SANFORD
SANFORD, NORTH CAROLINA

The City Council met at the Sanford Municipal Center, 225 E. Weatherspoon Street, on Tuesday, February 4, 2014, at 7 P.M., in the Council Chambers. The following people were present:

Mayor Chet Mann
Council Member Jimmy Haire
Mayor Pro Tem James Williams
Council Member Sam Gaskins
City Manager Hal Hegwer
City Attorney Susan Patterson

Council Member Rebecca Wyhof
Council Member Norman Charles Post, III
Council Member Charles Taylor
Council Member Walter McNeil
City Clerk Bonnie D. White

Mayor Mann called the meeting to order. A moment of silence was observed. The Pledge of Allegiance was recited.

PUBLIC COMMENT – (Exhibit A)

Jamil Bjorkland of 3200 Windmere Drive, Sanford, North Carolina spoke to Council, asking for exception to Section 4-5 of Sanford City Code, “Keeping of swine, poultry, and goats,” in order that he might keep his three-year old pot-bellied pig. Mr. Bjorkland said that he moved to North Carolina in 2012 and was currently stationed at Seymour Johnson Air Force Base in Goldsboro. He said that he previously resided in Garner, where he was allowed to keep his pig. Mr. Bjorkland said that he respected the fact that the City Code was designed to protect the health and welfare of the citizens of Sanford; however, he hoped Council would afford him the opportunity to keep his pet, given the fact that his immediate neighbors nor his neighborhood did not object. Mr. Bjorkland said that his pig weighed approximately 85 pounds, sixteen inches tall, and was contained in a fenced enclosure in his back yard that abutted a wooded area in Lee County jurisdiction. Mr. Bjorkland said that his pet pig had been spayed, vaccinated and had a very mellow demeanor. Mr. Bjorkland said that the pig was non-destructive and that it did not stray from his yard. He said the pig was much like a dog in that it was sociable and it interacted with family members daily. Mr. Bjorkland reassured Council that should he be allowed to keep the pet, it would be contained and would not be a health threat or a public nuisance. He said that many other municipalities authorized keeping pot-bellied pigs as pets. Mr. Bjorkland asked for a meeting with the City Attorney in order to craft language in the City Code that would grant an exception, and asked that this be resolved in a forty-five day time frame before he deployed in March 2014.

APPROVAL OF AGENDA

Council Member Gaskins made the motion to approve the agenda; seconded by Council Member McNeil, the motion carried unanimously.

CONSENT AGENDA

Approval of City Council Meeting Minutes Dated January 7, 2014 – (Filed in Minute Book 80)

Approval of City Council Meeting Minutes Dated January 15, 2014 – (Filed in Minute Book 80)

Approval of Law and Finance Meeting Minutes Dated January 15, 2014 – (Filed in Vault)

Approval of City Council Meeting Minutes Dated January 21, 2014 – (Filed in Minute Book 80)

Council Member Wyhof made the motion to approve the consent agenda. Seconded by Council Member Gaskins, the motion carried unanimously.

CASES FOR PUBLIC HEARING

DECISIONS ON PUBLIC HEARINGS

REGULAR AGENDA

Consider Reimbursement Resolution – Engineering Services and Sidewalk Improvement - (Exhibit B)

Finance Director Beth Kelly said that this resolution would allow the City to reimburse itself for all bond-related engineering service agreements in the amount of \$1,197,930 and \$750,000 for sidewalk construction. Mrs. Kelly said that this resolution would give authority for the City to pay for this project upfront and then reimburse itself from grant proceeds. She said, however, that any engineering or construction contracts, as well as budget amendments, would have to be approved by Council prior to any payouts.

Council Member Wyhof commented that Council discussed this issue at length at the recent Council retreat and this resolution will allow the City to move forward on the bond projects and get ahead of the actual debt issuance.

Council Member Wyhof made the motion to accept the Reimbursement Resolution. Seconded by Council Member Gaskins, the motion carried unanimously.

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

City Finance Director Beth Kelly explained that this ordinance will set up the appropriation of fund balance and allow the City to appropriate funds then set up the Capital Projects for the three bond projects which are \$750,000 for sidewalks; \$256,500 for engineering services for sidewalk improvements, \$391,330 for engineering services for a greenway and \$324,200 for engineering services for streetscape.

City Manager Hal Hegwer commented that when these contracts come back before Council for approval, they could be more or less than the appropriated amount, so they may require amendments.

Council Member Wyhof asked Finance Director Beth Kelly if Council appropriated the fund balance, would it change the ratio or would the funds still be unrestricted. Mrs. Kelly said that technically the funds would remain unrestricted as far as financial statements for financial reporting; however, Council had the discretion to change the appropriation. She said that she

spoke with financial advisors in regards to concerns, such as using fund balance as opposed to issuing bond anticipation notes and that they concurred, based on current investment rates it would be best to go ahead and use the cash on hand as opposed to taking interest rate risk with a bond anticipation note. She said that the City would not have to pay interest on those notes; however, the interest rates would be configured within the debt at the date of issuance. She said the funds were still restricted to the Council's discretion as to how the funds could be spent.

Council Member Gaskins made the motion to approve the Ordinance Amending the Annual Operating Budget, seconded by Council Member McNeil, the motion carried unanimously.

Consider Capital Project Ordinance Sidewalk Improvements – (Exhibit D)

Finance Director Beth Kelly said that this ordinance takes the contribution from the General Fund approved in the Amendment to the Annual Operating Budget (\$750,000 for Sidewalks; \$256,500 for Engineering Services for sidewalk improvements) and sets it into a Capital Project Ordinance.

Mayor Pro Tem Williams made the motion to approve the Capital Project Ordinance Sidewalk Improvements. Seconded by Council Member Gaskins, the motion carried unanimously.

Consider Capital Project Ordinance Greenway – (Exhibit E)

Finance Director Beth Kelly said that this ordinance takes the contribution from the General Fund approved in the amendment to the annual operating budget (\$391,330 for engineering services for a greenway) and sets it into a Capital Project Ordinance.

Mayor Pro Tem Williams made the motion to approve the Capital Project Ordinance Greenway. Seconded by Council Member Gaskins, the motion carried unanimously.

Consider Capital Project Ordinance Streetscape – (Exhibit F)

Finance Director Beth Kelly said that this ordinance takes the contribution from the General Fund approved in the Amendment to the Annual Operating Budget (\$324,200 for Engineering Services for Streetscape) and sets it into a Capital Project Ordinance.

Council Member Wyhof made the motion to approve the Capital Project Ordinance Streetscape. Seconded by Council Member Gaskins, the motion carried unanimously.

Consider Engineering Services Contract with Ken Bright & Associates and J. Thomas Engineering Services for Sidewalk Improvements – (Exhibit G)

City Engineer Paul Weeks said that the contract with Ken Bright and Associates and J. Thomas Engineering Services for sidewalk improvements was the first contract for bond referendum projects. Mr. Weeks said that an engineering services contract was different from ordinary construction contracts, in that a construction contract required that the contract be awarded to the apparent low bidder; however, an engineering services contract was awarded on a qualification-based selection process. He said that these contracts were advertised, then when the engineers submitted proposals outlining their qualifications, the staff committee graded these

proposals, and the applicant with the highest grade is awarded the engineering services contract. Mr. Weeks said that proposals were requested in November 2013, for the sidewalk improvements and that they received two proposals. Mr. Weeks said that a committee of three reviewed the proposals, and that both firms scored very high according to the committee's grading criteria. He said, however, that they felt that local engineering firms typically had more familiarity with the locality and that is what stood out in the committee's decision to offer the contract to Ken Bright and Associates and J. Thomas Engineering.

Council Member Taylor commented that Council had discussed this issue at length on January 21, 2014; however, Council was unable to meet last week due to inclement weather. Council Member Taylor commented that the cover letter on the proposal was dated January 14, 2014, but the date on the proposal was January 31, 2014. He said he needed to know more about the selection process and the committee that was responsible for selecting this proposal. He said he just wanted to ensure that the selection process was not violated in any way.

City Engineer Paul Weeks addressed the selection process and stated that the committee that reviewed the proposals submitted for Engineering Services Contracts had a generalized set of questions that were asked each applicant. He said that this information was presented to the applicants prior to the interview, so that the applicant can draft their proposal according to evaluation questions.

Council Member Taylor asked Mr. Weeks who came up with the evaluation questions for the Engineering Services Contract applicants. City Engineer Paul Weeks said that staff came up with these questions a long time ago, and that the questions were pretty much the same as all proposals that go out to firms. He said that there might be slight changes, such as the Waste Water Treatment Plant Expansion. He said that for the Waste Water Treatment Plant project they did not put a lot of weight on local engineering firms, but that they put more emphasis on a firm that had a lot more experience in building a waste water treatment plant. He said that for local jobs, such as this sidewalk proposal, which more than likely would have a lot more citizen involvement, they felt it was important to draw on the knowledge that local engineers had of the community. Mr. Weeks said that the way the Mini Brooks Act is written, it gives the City the ability to do this, because they want the best-qualified engineer selected for a particular project.

City Attorney Susan Patterson informed Council that Ken Bright & Associates and J. Thomas Engineering Services submitted their contract much earlier; however, after reviewing the contract, she asked for changes to the document in order to protect the City. Attorney Patterson said that one change was that the certificate of insurance that was submitted was in a name other than that of the company that was involved in the contract, and she asked that this be corrected. Attorney Patterson said that she also asked staff to expand the liability insurance to a greater amount of coverage. Attorney Patterson said that the contract was signed January 31, 2014, after the amendments were changed in the contract, although it was submitted.

For clarification, City Manager Hal Hegwer said that the contract submitted by Ken Bright & Associates and J. Thomas Engineering Services for Sidewalk Improvements was for the entire bond project, but that the bond funds would be paid in segments as the bond project

proceeds, and that the expenses associated with the \$750,000 of work will be paid out now, in an effort to move forward with the project.

Council Member Gaskins made the motion to approve the engineering services contract with Ken Bright & Associates and J. Thomas Engineering Services for sidewalk improvements. Seconded by Council Member McNeil, the motion carried by a six to one vote, with Council Member Taylor casting the dissenting vote.

Consider Extension of Audit Contract – (Exhibit H)

Finance Director Beth Kelly explained that January 11, 2011, the City Council approved the City's current contract for audit services for three years. She said that the approved contract covered Fiscal Years 2011 through 2013. She said that since 2006, the City has requested two audit contract proposals and had extended an audit contract for a two-year period. She said that due to factors including staff changes, the amount of time required for an Audit RFP process and the amendment extensions that Council approved for last year's audit contract, she asked that Council approve a one-year extension of audit services from Martin-Starnes and Associates. She said that for this extension, Martin-Starnes had quoted a \$40,000 fee, which is an increase of \$1,000 compared to the 2013-2014 audit charge. She said that this fee includes preparation of the annual financial statements as did the prior year. She said that they planned to begin the RFP Audit process in the fall of 2014 for the Fiscal Year ending June 30, 2015, of the Audit Contract. She said that the Audit RFP would request qualifications and proposals from audit firms for a three-year contract.

Council Member Haire asked Finance Director Beth Kelly if when she put the audit contracts out for bids, were there many responses from audit firms. Mrs. Kelly said that the last time they let bids for audit contracts, they received eight or nine responses; however, several responses were from very small firms who had very little governmental experience. She said that they narrowed the choices to three out of the eight or nine bids that were submitted.

Mayor Pro Tem Williams made the motion to approve the extension of the audit contract for one year as proposed. Seconded by Council Member Haire, the motion carried unanimously.

Consider Update on Prescription Drug Program – (Exhibit I)

Public Information Officer Kelly Miller gave Council an update on the City's Prescription Discount Card Program. Mrs. Kelly said that the City has had the Prescription Discount Program since 2009, and that the program allowed citizens who needed prescription drugs that were not covered under their insurance plans to obtain these drugs at an average savings of 23% out of pocket. She said that this program works with 60,000 pharmacies nationwide and that it was for an entire family, including their pets. She said that there was no enrolment or membership fee and that it was completely free with no age or income requirement. She said that citizens were given a card to use for these prescriptions, and that these cards were available in various places in City Hall. She said that since 2009 Sanford citizens have saved \$66,144 and the average savings was 31 percent for their prescriptions. She said that they had the greatest use in 2010-2011; however, as of this year, they had approximately thirty to forty-five people using the program each month for their prescriptions. She said that a new feature of this program is that they offer mail inserts for free, so that they could be mailed out with the

water bills each month and, thereby, getting them into the hands of people who could use them. She said that there was a \$90 fee for stuffing these envelopes, but that it would not increase the cost of mailing the water bills to include the inserts. Mrs. Kelly said that she had asked Caremark if they expected the Affordable Care Act to have an effect on the Prescription Discount Card program and that they had said they did not expect so, because there would always be prescription drug exclusions, so there will always be a need for an assistance program.

City Manager Hal Hegwer asked Kelly Miller where the City of Sanford ranked in the Nation with this plan. Mrs. Miller said that the City of Sanford ranked tenth in the Nation, and the average cost savings was \$13 or 31 percent of the cost of the prescription.

Mayor Pro Tem Williams commented that there was recognition for Sanford's Prescription Drug Program at the National League of Cities Convention, and that it was very impressive.

Mayor Mann entertained a motion to appropriate funds to cover the \$90 envelope fee for mailing the inserts for the Prescription Drug Program. Council Member Gaskins moved, seconded by Council Member Post, and it carried unanimously.

OTHER BUSINESS

Council Member Post commented that he had read about some disgusting slurs and condescending remarks directed toward the mentally handicapped in the Sanford Herald and he commented that as leaders of this community, they should be working together to find areas of common ground and moving forward to meet challenges. He said that he was glad to know the Sanford City Council worked harmoniously and positively together instead of wasting time second-guessing the actions of other elected leaders.

Council Member Wyhof thanked the City of Sanford employees for the incredible work they did during the recent snow storm. She said that she had received positive compliments related to the efficiency of the City staff.

Council Member Gaskins and Council Member Taylor echoed Council Member Wyhof's comments of the outstanding job the City employees did during the recent snow storm. In addition, Council Member Taylor complimented the Sanford Police Department and the Sanford Fire Department for their efforts during this recent snow storm. Council Member Taylor also suggested that the City of Sanford draft a proclamation recognizing Ellis Hankins for his tenure with the League of Municipalities.

Council Member Haire commended Jamil Bjorkland about his comments regarding his pet pig. Council Member Haire reminded everyone of the VA Clinic dedication, and also commented that February 11, 2014 was Charter Day for the City of Sanford, and that Sanford would be 130-years old.

Mayor Mann thanked Council for their diligence and hard work at the Visioning Priority Workshops. He said that he applauded Council for standing up for character and not being led by culture and trends. Mayor Mann said that he was very excited about the VA Clinic

City Council Meeting
February 4, 2014

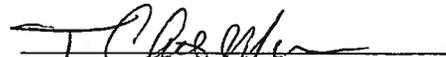
dedication. Mayor Mann said that he would also be attending the U.S. Open Meeting for NCDOT in Pinehurst and that he hoped to have something to report at the next meeting concerning what impact the U.S. Open will have.

City Attorney Patterson stated that a motion was needed to go into closed session according with North Carolina General Statute 143-318.11 (a) (4) to discuss matters relating to the location expansion of industries or of businesses in the area served by the Public Body; (5) to discuss the position of the Public Body staff concerning negotiating the price or other material terms of contract for acquisition of real property by purchase, option, exchange or lease; and (3) to consult with an Attorney employed or retained by the Public Body in order to preserve the Attorney-Client Privilege. So moved by Council Member McNeil and seconded by Council Member Gaskins, the motion carried unanimously.

ADJOURNMENT

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

Respectfully Submitted,


T. CHET MANN, MAYOR

ATTEST:


BONNIE DAVIS, CITY CLERK