

LAW AND FINANCE MEETING  
Wednesday, April 30, 2014  
1:00 P.M. in Council Chambers

The Law and Finance Committee met on Wednesday, April 30, 2014 at 1:00 P.M. in the Council Chambers at City Hall. The following people were present:

Law and Finance Committee:

Mayor T. Chet Mann  
Council Member Rebecca Wyhof  
Council Member Norman Chas. Post III  
City Clerk Bonnie Davis  
City Attorney Susan Patterson

Mayor Pro Tem James Williams  
Council Member Sam Gaskins  
Council Member Charles Taylor  
City Manager Hal Hegwer

Absent:

Council Member Jimmy Haire  
Council Member Walter H. McNeil, Jr. (Deceased)

Mayor Chet Mann called the meeting to order.

Consider Discussion on the Bond Implementation Schedule – (Exhibit A)

Public Works Director Vic Czar gave an update on the implementation of the Bond Schedule. Mr. Czar introduced Jack McNeill and Ken Green with Duke Energy and said they would answer questions and address concerns. Mr. Czar reviewed the history of the Bond Referendum and said there could be some scheduling updates with Council's direction. Mr. Czar explained that there were four bond referendums that were approved (streetscape, greenways, sidewalks and parks) last fall. Mr. Czar said following the approval of these bonds, a schedule for implementing the construction was made to achieve the overall goal to improve the livability of Sanford. Mr. Czar said they tried to factor in minimizing the tax implications in the schedule. He said that there were some regulatory approvals that they had to obtain, and there were private property issues that had to be dealt with before implementing the projects.

Mr. Czar said that the Jonesboro Streetscape project was the farthest along in the design phase, and because this project included sidewalks, which the construction moved more rapidly, staff felt it was the quickest project to start, and this is the reason it became project number one. Mr. Czar said that they knew the Downtown Streetscape was equally as important; however, they were not confident they could meet the timetable that they felt they could with the Jonesboro streetscape.

Mr. Czar said that the streetscape projects were very disruptive to the merchants and they needed to take full advantage of the time period between March and Halloween. Mr. Czar said that it takes time to advertise bids, award bids and award contracts, and to get to the point to actually start construction. He said that the greenways and park development could be delayed somewhat. He said they had two projects in an effort to smooth out the tax implications over the course of the bonds.

Mr. Czar said that since the presentation to Council at the Retreat, they had received public input regarding the project schedule. He said the majority of the input was regarding the

Downtown Streetscape and what it would take to accelerate the project. Mr. Czar said staff had several meetings with Duke Energy to see if the Downtown Project could be started, and they agreed to provide the City a cost estimate by October 1, 2014. He said that if they receive the cost estimate, they can make the Jonesboro and the Downtown Streetscape Projects coincide. Mr. Czar said, however, Duke Energy would have to install streetlights on some NCDOT streets, and there would be electrical issues on private property that would take some time. He said that bad weather could also impact Duke Energy's ability to meeting this schedule. Mr. Czar said that provided Duke Energy meets their schedule, both streetscapes projects could be underway by the Spring of 2015.

Council Member Gaskins commented that he did not see how the weather would affect Duke Energy's schedule. Mr. Czar said that should severe weather cause outages anywhere from Maryland to Florida, Duke Energy could pull people from the design work if necessary to assist in restoring power in these areas; thus, postponing the design schedule.

Mr. Czar said that the Jonesboro Streetscape project was on schedule. He said they had spoken with the consultant that the City is recommending to provide the remainder of the drawings not completed, and the consultant said they would not have a problem meeting the schedule. Mr. Czar said that money had already been appropriated for the sidewalk portion of the bond, and a reimbursement resolution had been adopted so the City can reimburse itself from the bond proceeds. He said that this construction is focused on the high school, Community College and O. T. Sloan Park. He said that staff intends to have this portion of the sidewalk finished by June 2014. Mr. Czar said that the updated schedule for the Downtown Streetscape coincides with Jonesboro Streetscape Project.

Council Member Wyhof asked Mr. Czar what factors could lead to a delay in the construction of these projects. Mr. Czar said it was reasonable to believe the City's portion of the design work will be finished early and Duke Energy is willing to commit to October; however, if issues that are outside of their control affect the design, such as street lighting approval, etc. it could affect their schedule.

Mayor Mann asked Mr. Czar to reiterate for the public the reason Jonesboro Streetscape Project was bid first. Mr. Czar said that the engineering services and Progress Energy (the name of the Electrical Company at the time) had completed their design work, and also the Jonesboro Streetscape design was simpler than the Downtown Streetscape.

Council Member Gaskins commented that a November date seemed awfully late in the season in trying to complete the project before Christmas, which he hoped the design work would be faster so the construction could start earlier. Mr. Czar said that the construction could not be started much earlier than March 2014.

Council Member Post asked Mr. Czar what would happen with the process between October 1, 2014 and March 15, 2015. Mr. Czar said that during this period bid packages would be prepared, review bids, presentation of the bids to Council, and approval of drawings and materials list. He said these things took time, plus they would encounter the holiday period, which would result in approximately three weeks that the project would cease.

Council Member Wyhof commented that there was excitement in getting this project completed but there was also uncertainty on how the project will actually look like, and asked Mr. Czar if there would be information available to the merchants as to what is actually happening during this construction period so they can make plans to adjust to the changes to their store fronts, in terms of when the roads and sidewalks will be torn up. Mr. Czar said staff will give the merchants an idea when the construction will take place. He said the specific days concrete is torn up will be coordinated with each individual merchant as the project progresses. He said there was an intense amount of contact with the merchants. Mr. Czar said there would be a coordinated effort to get this work completed, and the work would be completed in sections in order to minimize the negative impact.

Council Member Post asked Mr. Czar if the digging up of the sidewalks and burying of the power lines would be done simultaneously with the other streetscape construction. Mr. Czar said it would be a coordinated effort. He said the sidewalks would be torn up and replaced with new sidewalks; they would be burying the conduit and Progress Energy would also be there installing the power lines and poles.

Council Member Williams asked Mr. Czar if there was any contingency built in for cost overruns so if there were overruns, it would not affect another project. Mr. Czar said that a lot of these projects overlap. He said there would be some flexibility in the use of the funds because sidewalk funds could be used in streetscapes because there are sidewalks in streetscapes. He said there was also an advantage in bidding the Jonesboro Streetscape and Downtown Streetscape simultaneously, because one project could come in higher than the other.

Council Member Post commented that many people believed Downtown Sanford is an anchor to our city, and when they voted on the bonds, they anticipated the Downtown Streetscape Project would be started first; however they meant no negative contention toward Jonesboro. Council Member Post commented that he felt staff had done a good job on these projects and that getting started on Downtown Sanford in less than a year is good.

Indira Everett with Duke Energy, addressed Council and commended City Manager Hal Hegwer and staff. She said they were excellent to work with. She said at a meeting last week city staff informed them of some public concerns, and that Progress Energy was delighted to help resolve some of these issues. She introduced Project Manager Jack McNeill, who is over the design projects and Ken Green who would be taking Kendall Cumby's place while he is on extended medical leave.

Council Member Gaskins asked Mr. McNeill what could delay the projects. Mr. McNeill said they implement their engineers into the field during storms; however, during the six-month window, the likelihood of having to deploy engineers for two or three weeks would not throw them off in meeting the October 6, 2014, deadline. He said the good thing about having the six-month period, they would have time to submit permits and wait for them to return. He said that this process had been initiated.

Mayor Mann asked Mr. McNeill asked what else was going underground in these streetscape projects. Mr. McNeill said that any utility company who currently had overhead lines in these areas will have an opportunity to adjust their facilities. He said that the local

telephone company was on a similar path with them to design underground cable. He said that once they have their design plan, they would meet with them to share conduit routing plans and design opportunities that they could piggyback onto the same ditch. Mr. McNeill said that typically they find that streetscape projects on grants are piece milled and done over a period of several years; however, Sanford's Streetscapes have aggressive funding, and the voters are behind the projects, so Sanford would have a lot going on in a short window of time. He said the goal was not to have a lot of holdup and collaboration would be arranged in the construction process.

Public Works Director Vic Czar said staff had met with Windstream, and they agreed they could comply with Duke Energy's schedule.

Finance Director Beth Kelly shared the Bond Rating Agencies changes with the process of the Bond Rating Agencies changes. Mrs. Kelly said that within this six-month period staff would need to get a bond rating and LGC would competitively sell that debt. She said this needs to coincide with the bid packets being approved by the LGC.

#### Consider Comments from Chris Kelley with the Salvation Army

Chris Kelley, Sanford Center Director of the Salvation Army, addressed Council and gave an overview of a new program the Salvation Army is starting. He said that he was happy to be in Sanford and able to provide a variety of programs to the young and old. He said there were many needs in Sanford, and the Salvation Army wants to help in any way they can. He said that for the last ten years the Salvation Army has been a core in Sanford, and they operated like a church; however, for financial reasons, they have downgraded. Mr. Kelly stated they would no longer be offering worship services; however, they were planning on expanding their other services for the community and preach the gospel without discrimination. He said the current services in Sanford include food assistance, clothing, utility bill assistance, and they were prepared in times of disaster to respond wherever the needs may be. He said they had a Joy Program, which at Christmas-time provides clothing to the children of families in Lee County that need assistance. He said that since he has been here he has observed many people coming to the Salvation Army for assistance and there was a cycle of poverty. He said he saw many people struggling with all types of problems: hunger, homelessness, broken relationships, depression, crime, unemployment, and etc. He said that the desire of the Salvation Army was to help the people of Sanford and Lee County break out of this cycle they are in. He said that along with the help First Baptist Church, the Salvation Army will be starting a new program called Jobs For Life, which is a program focused on getting people back to work. He said this is a biblical-based program that will transform people's lives, and has already been successful in 275 cities, 39 states, and 9 countries. He said Jobs For Life exists to help men and women who are unemployed or under-employed learn and experience the dignity of work. He said that it is a program designed to have mentors who provide the students with friendship and support both during the training and following graduation. He said by the end of the class, graduates will have a better understanding of who they are in relation to God; importance of character; be able to speak more confidently to a group; have a professional résumé; be prepared and confident in job interviews; have a clear picture of what they want to do with their life; and have more confidence in themselves. He said this class has been so successful that 70 to 80 percent of the graduates receive employment or further their education at the completion of this class. Mr. Kelley said they planned to start these classes next Wednesday, May 7, 2014, at First Baptist

Church. He said they would have two classes per week for eight weeks, and there would be no cost to the students for the program. He said he would love to have Council's support and he invited them to attend this class. He said the Salvation Army was committed to making a difference in Sanford.

Consider Discussion From North Carolina Department of Transportation Regarding Roundabouts - (Exhibit B)

Public Works Director Vic Czar said that in a previous meeting he was asked to invite NCDOT to talk about the roundabouts and some of the impacts the construction would have on traffic through the area. Mr. Czar introduced Marty Tillman, Division Engineer with NCDOT, District 8. Mr. Tillman explained that the construction process of the roundabouts. He said the project consists of two roundabouts on either side of US Highway #1 at Hawkins Avenue and they intended to let the project in July 2014 and begin construction in late August 2014. Mr. Tillman said they anticipated a ninety-day contract time, which will result in a November 2014 completion date. He said of that ninety-day period, sixty days will have partial highway closures. He said seven days within the sixty-day period, there will be full highway closures so the contractor can complete the tie-ins. Mr. Tillman said that within the ninety-day period, the contractor can put down water lines. He said that when the contractor reaches a point that he has to close lanes, that's when the sixty days of closure begins. Mr. Tillman said the Highway US #1 northbound loop will be closed during the entire sixty-day period. He said the Highway US #1 northbound on-ramp at Amos Bridges Road will remain open. He said the Highway US#1 southbound off-ramp at Hawkins will also be open during the sixty-day period, with the exception of the seven-day period. He said that Charlestown Drive would be closed during the entire sixty-day period; however the Highway US #1 southbound on-ramp from Highway #15-501 will always be open. Mr. Tillman said once they obtain the municipal agreements they will send out bid packets.

City Manager Hal Hegwer commented that the water line that NCDOT would be installing as a part of this construction project would be a new 24-inch water line, which the City will be able to extend to the Industrial Park which will tie into close to City Hall.

Consider Resolution in Support of the Temporary Closure of a Portion of Maple Avenue - (Exhibit C)

Traffic Services Supervisor Sedric Dalrymple said the temporary street closure would be from Market Street to Third Street between 8:00 AM and 5:00 PM on May 17, 2014, and would be for the purpose of an outside community meal.

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

Street Superintendent Magda Holloway said the temporary street closure would occur on June 7, 2014, from 7:00 AM to 4:00 PM for the annual AACA – San Lee Chapter Antique Car Show. She said she had all of the appropriate paperwork with the exception of a Certificate of Liability Insurance, and she asked Council for approval of this resolution contingent upon receipt of the appropriate paperwork.

Consider Resolution in Support of the Temporary Closure of a Portion of North Avenue for the Purpose of a Vacation Bible School Kickoff Event by East Sanford Baptist Church – (Exhibit E)

Street Superintendent Magda Holloway said the temporarily street closure would be held June 21, 2014, from 3:00 PM to 6:00 PM for East Sanford Baptist Church vacation bible school kickoff event. She said the East Sanford Baptist Church intended to use the lot across the street but wanted to temporarily close the street to ensure pedestrian safety while crossing the street to attend the activities. She said she had all of the appropriate paperwork for this function.

Consider Ordinance Prohibiting Thru Truck Traffic on Canterbury Road and a Portion of Piedmont Drive in the City of Sanford – (Exhibit F)

Street Superintendent Magda Holloway said she received a request from a resident within the area and the complaint was that the GPS units were taking 18-wheelers through Canterbury Road onto Piedmont Drive. And they have had to replace numerous stop signs and street markers. She said they had contacted NCDOT and they were in full support of placing “no through trucks” signs on their right-of-way coming off the ramp for McNeill Road and going onto US Highway #1.

Council member Taylor commented that Council needed to be very clear on distinction of truck traffic; an 18 wheeler verses a landscaper with a 2-ton truck. He said he did not want to prohibit a resident from using a moving truck. Mrs. Holloway said it would not apply to trucks that have businesses in the area. Mayor Mann said they needed to review the language in the ordinance but he felt the general intent of the ordinance was to restrict long trucks.

Consider Renewal of Contract for Inmate Labor with the North Carolina Department of Public Safety – (Exhibit G)

General Services Director Tim Shaw reviewed the annual contract with Council. He said the contract was for eight inmates and the cost was approximately \$2,000 per year. He said this had been a very successful program.

Consider Escrowed Funds From Stedman Corporation for Cornell-Dubilier Site – (Exhibit H)

City Manager Hal Hegwer informed Council that some twenty plus years ago, escrow funds were set aside for remedial action from a hazardous waste release at a site that the city owns. He said there had been some interest in the property and when the City attorney looked into it, they realized the escrowed funds were no longer restricted. He said the funds had been accounted for and restricted on the books, and staff needs to unrestrict the funds and move the funds back into the General Fund, so they will be spendable funds. He said this will help the fund balance and be helpful as we move into the bond market and the new budget year.

Council Member Gaskins asked if there were any liability issues for the City as far as environmental concerns? City Attorney Patterson replied that there were environmental concerns that still existed on the site.

Council Member Gaskins asked Attorney Patterson if she knew the extent of the liability or if there were any samples taken on the property. She said the site is listed on the EPA Inactive Site list but she did not know how it was ranked. She said however, she could get the information for him if he needed it. Attorney Patterson said to her knowledge there had never been any claims on the property. She said the City was not responsible for, nor did not contribute to any of the

hazardous conditions at the time; however, through some governmental transactions many years ago, the city became the owner of the site. She said that under the EPA regulations, it was the responsibility of those who caused the hazardous release who carried the liability; however, in the chain of title the City might incur some ownership concerns.

Council Member Gaskins asked if the City had any prospects of getting rid of the property. City Manager Hal Hegwer said they had received inquiries of interest in purchasing this property and in considering this, they found this agreement. He said the Finance Department knew this agreement existed and that the funds were restricted. He said the question is, should the City hold on to these properties or should they be sold. Mr. Hegwer further commented that EPA was heavily involved in this many years ago and supervised the cleanup and other activities on this site. He said there was plenty of documentation to that fact.

Attorney Patterson said that according to the Sanford Herald articles, there was a great deal of soil remediation and removal and the site continues to be monitored. Mr. Hegwer said there was no further action required at the site on behalf of the State and from every document he had reviewed, there was no further remedial action required by the State.

Consider Recommendation to Award Contracts – Bond Referendum Greenway Projects to Withers & Ravenel, Inc. for Little Buffalo Creek Greenway and Wicker Street – Kiwanis Park Greenway – (Exhibit I)

City Engineer Paul Weeks said this was for the acquisition for professional services. He said they did a qualification-based process. He said they requested qualifications; once they are received, they review them, select the most qualified, then enter into contract negotiations. He said they solicited qualifications for Little Buffalo Creek Greenway and Wicker Street Kiwanis Park Greenway and received one submittal, which was from Withers & Ravenel, Inc. He said Withers & Ravenel, Inc. is currently working with the City on a greenway project and their work was acceptable. He said they met the City's timeframe and they worked well with staff. He said they entered into contract negotiations with Withers & Ravenel and they were recommending Council award the Wicker Street – Kiwanis Park Greenway project to Withers & Ravenel for \$89,959 and the Little Buffalo Creek Greenway project for \$142,075 to Withers & Ravenel. Mr. Weeks noted that Council should have an addendum at their places that he had inadvertently left out of the contract packet.

Council Member Taylor asked if Withers & Ravenel's submittal fell within the budget amount. Mr. Weeks said that the contract fell within the budget amount.

Attorney Patterson asked Mr. Weeks if he would put a cap of the budgeted amount in the contract addendum before it was presented to Council for approval at the Council meeting. Mr. Weeks said that he had consulted Finance Director Beth Kelly and she did not feel it need to be pre-audited.

Finance Director Beth Kelly addressed this issue and said that the capital project ordinance was for \$391,330 and Mr. Weeks' project total was \$232,030; the difference being \$159,300, which will be available for other engineering services. She said that Mr. Weeks would issue a purchase order, which is a part of the City's pre-audit process, for the contract and then any increase or decreased through work-order/change-order that will be approved through the

purchase order process. Mrs. Kelly said she would stamp the page of the contract, which states the totals.

Council Member Gaskins asked Mr. Weeks why there was such a difference in the capital project ordinance and his project total. Mr. Weeks said the difference is for engineer services for construction administration. He said the project total before Council is for design only, and the remainder is for engineering services. He said how much we can use City staff for construction inspection will determine how much we need engineering services.

Council Member Post left the meeting at this time.

Consider Capital Project Ordinance Greenway – (Exhibit J)

Finance Director Beth Kelly said the City is required to set up a Capital Project Ordinance for the Greenway project for appropriated funds in the amount of \$391,330.

Consider Recommendation to Award Contracts – Bond Referendum Streetscape Projects to McGill Associates for Wicker Street Multi-Purpose Trail and Phase 2 Downtown Streetscapes– (Exhibit K)

City Engineer Paul Weeks said following solitation for qualifications, they received two packages for review; one from McAdams and one from McGill and Associates. He said based on qualifications, they selected McGill Associates as the most qualified and they entered contract negotiations with them. Mr. Weeks said based on the successful completion of contract negotiations, staff was recommending Council award the Phase II Downtown Streetscape Project to McGill Associates in the amount of \$155,000 and also award the Wicker Street Multi-Purpose Trail to McGill in the amount of \$90,700. He said these contracts were for design and when they reached construction administration, they would see what staff can and cannot do, and then they will supplement that work with McGill and come back before Council with another contract.

Consider Capital Project Ordinance Streetscape – (Exhibit L)

Beth Kelly said that the City is required to set up a Capital Project Ordinance for the Greenway project for appropriated funds in the amount of \$324,200.

Consider Recommendation to Award a Contract – Development of a Wastewater Master Plan to W. K. Dickson – (Exhibit N)

City Engineer Paul Weeks said staff sent out requests for qualifications to firms for development of a Wastewater Master Plan. He said currently staff has a water master plan that helps in determine what changes, if any, are necessary to the water system. He said currently, there is not a wastewater model and this project is to help the City create a Wastewater Master Plan. He said staff solicited qualifications and received proposals from four consultant groups. He said that after they reviewed the proposals and then interviewed each group, they chose W. K. Dixon. He said they hoped to have a plan or direction on their policies when people want to tie into the City's sewer system, to have an improved plan on infrastructure; based on the present and what will happen in the future. He said they negotiated with W. K. Dixon for some time and staff is recommending Council award a contract for development of a Wastewater Master Plan to W. K. Dixon in the amount of \$100,000.

Council Member Taylor asked staff what differentiated W. K. Dixon from the other applicants. Mr. Weeks said that he was an observer and not a voting member, and it appeared the deciding factor rested on W. K. Dixon's approach. He said they presented more of a planning segment to the group; whereas, a lot of others start from an engineering prospective. He said that another point was W. K. Dixon had a consultant who presented well on the issue of water rates. He said that all four groups had excellent presentations, but W. K. Dixon rose to the top.

Other Business

Council Member Wyhof thanked the staff again for working on the bond implementation schedule. She said a lot of her questions were answered and the idea that they could move this ahead an entire year is wonderful. She also encouraged everyone to vote, and attend the community activities.

Council Member Taylor commented on the recent storms, and asked everyone to remember our neighbors who have suffered greatly, and also the people who have suffered in the Mid-West.

City Manager Hal Hegwer commented that Waste Industries had received their Certificate of Occupancy and they will be moving forward with the transfer station.

Mayor Mann concluded by thanking Karen Kennedy and the Planning Department, all of staff and Council who came to the Hawkins Avenue Cleanup Block Party. He said this was a huge community effort. He also commended this effort and that the upcoming Prayer Breakfast at First Presbyterian Church are great examples of people working together. He also commented that he was invited to go to Fort Bragg to be a part of the Warriors On The Water function, which is an opportunity for active military personnel to come to Jordan Lake and fish with a sponsor. He said this was a part of Sanford being open for business and it was also being receptive to our military and the economy they bring with them and to pay them homage for the service they give. He mentioned the flagpole ceremony and said there would be an entire day of prayer all through the City of Sanford. He reminded everyone that Vesper Services are at 5:30 PM at Depot Park. He thanked everyone for their efforts in making Sanford a better place.

Adjournment

Council Member Wyhof moved to adjourn the meeting. Seconded by Council Member Gaskins, the motion carried unanimously.

Respectfully Submitted,

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James G. Williams, Mayor Pro Tem

ATTEST:

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Bonnie Davis, City Clerk