

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, May 6, 2014, at 7 P.M., in the Council Chambers. The following people were present:

Mayor T. Chet Mann	Council Member Rebecca Wyhof
Council Member Jimmy Haire	Mayor Pro Tem James Williams
Council Member Sam Gaskins	Council Member Norman Charles Post, III
Council Member Charles Taylor	City Manager Hal Hegwer
City Attorney Susan Patterson	City Clerk Bonnie Davis

Absent:

Council Member Walter McNeil, Jr. (Deceased)

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

PUBLIC COMMENT

Lee County Commissioner Kirk Smith, 3108 Avent Ferry Road, extended thanks to Mayor Mann for the recent Prayer Breakfast and said he hoped it became an annual event. He commented that the Supreme Court ruling allows for open sectarian prayer at our community meetings. He said he understood that Council has a moment of silence for a period of time; however, if we continue to be silent evil wins. He said that considering the recent history of violence in Sanford, it is in our best interest to beseech God for His guidance and asked Council to consider open prayer in the future.

Commissioner Smith said that Lee County Commissioners passed a resolution in honor of Don Buie in November 2013, requesting the Department of Transportation name a portion of the US Highway #421 By-pass, "Don Buie Highway;" however, they received a letter from North Carolina Department of Transportation asking for more. Mr. Smith asked Council to consider approving the resolution honoring Don Buie, by naming a portion of the US Highway #421 By-pass Don Buie Highway.

APPROVAL OF AGENDA

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

Mayor Mann asked that an additional item be added to the Special Agenda, which is the award of a Certificate of Appreciation to Adrion and Antonio Ellerby for their Volunteer Work at the Block Party.

Council Member Post made the motion to add this item to the Special Agenda, seconded by Council Member Taylor, the motion carried unanimously.

CONSENT AGENDA

City Council Meeting
May 6, 2014

Approval of Resolution in Support of the Temporary Closure of a Portion of Maple Avenue – (Exhibit A)

Approval of Resolution to Temporarily Close a Portion of Chatham Street in Support of the AACA, San Lee Chapter, Antique Car Show - (Contingent Upon Receiving a Certificate of Insurance) – (Exhibit B)

Approval of 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 C)

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

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

Approval of Receipt of Escrowed Funds From Stedman Corporation for Cornell-Dubilier Site – (Exhibit F)

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

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

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

Mayor Mann noted that there was a slight correction in the packet for Item G on the Consent Agenda, Approval of Recommendation to Award Contracts – Bond Referendum Greenway Projects to Withers & Ravenel, Inc. for Little Buffalo Creek Greenway and Wicker Street – Kiwanis Park Greenway. Mayor Mann asked if there were any questions regarding this contract.

Council Member Gaskins asked if there was a reason why the Dispute Resolution was left out of the Standard Terms and Conditions of the contract. Attorney Patterson said traditionally local governments prefer to have the Courts rule on issues of dispute, rather than submit to an arbitrator who does not have to follow the rule of law, so they take this paragraph out when possible.

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

SPECIAL AGENDA

Presentation of Proclamation Proclaiming the Week of May 18-24, 2014 as Public Works Week – (Exhibit J)

Mayor Mann commented that most people were not aware of the tremendous effort the Public Works staff put forth in keeping Sanford running smoothly. Mayor Mann read the Proclamation and presented it to Public Works staff.

Certificate of Appreciation to Adrion and Antonio Ellerby for Volunteer Work at the Block Party (Exhibit K)

Mayor Mann recognized Adrion and Antonio Ellerby for their recent efforts at the Sanford Block Party. He said these two young men willingly volunteered and worked diligently beside him, City Manager Hal Hegwer and Council Member Sam Gaskins. He said they came early and were the last to leave. Mayor Mann said their performance and work ethic stood out.

Mayor Mann said Adrion Ellerby is 14-years old and an eighth-grader at East Lee and his cousin, Antonio Ellerby, is age 12 and a seventh-grader at East Lee. Mayor Mann said their mother Jeanetta Ellerby, a single parent, works a part-time job and is graduating next week from UNC with a Nursing Degree. Mayor Mann said he hoped what these boys learned from interacting with the City at the Block Party street cleanup, is that local government matters. He said he hoped these young men would continue to work hard in school, stay faithful in Church, and perhaps one of them will be mayor one day. Mayor Mann presented Adrion and Antonio Ellerby with a Certificate of Appreciation.

CASES FOR PUBLIC HEARINGS

Economic Development Incentives – Frontier Spinning Mills, Inc. – (Exhibit L)

Mayor Mann opened the public hearing. Crystal Morphis, Interim Director of the Lee County Economic Development Corporation, said that the EDC Board would consider this matter at its May 14, 2014, board meeting. She said she would provide City Council with information from the EDC Board Meeting prior to Council May 20, 2014, meeting. Mrs. Morphis said the majority of investment in a community comes from existing businesses, and as an economic development professional, she is always pleased to see investment from existing companies that try to grow and expand in the community. She said the investment that Frontier Spinning Mills, Inc. is providing to the community is to modernize equipment, which is important to manufacturing companies. She said those companies that continue to modernize and invest in technology are the companies that remain efficient and as the company continues to grow across its many facilities, it will look to place future investments in the areas that it has become efficient and modern. She said Frontier Spinning is compliant with all of their previous grants and incentive contracts with the City and County. She said part of EDC's role is to monitor those contracts and grants for compliance, and Frontier Spinning has exceeded all of their performance requirements from previous grants with the City and County, as well as the State. Mrs. Morphis said Frontier Spinning, Inc., will create new jobs in the manufacturing sector, which is the largest employment sector in Lee County. Mrs. Morphis noted that the majority of investment seen has come from existing businesses like Frontier Spinning. She said we would continue to see companies that are making investments locally and making their companies strong and creating jobs in this area. She applauded the City's effort in supporting Frontier Spinning, Mills, Inc. and their investment. Mrs. Morphis introduced John Maness, Executive Vice President of Manufacturing for Frontier Spinning Mills, Inc.

Mr. Maness said Frontier Spinning Mills, Inc. has a history in Sanford since 1996. He said they currently employ 1,100 people in two states, and about 500 of those are employed in Sanford. He said a meaningful portion of the success of Frontier Spinning Mills is attributed to the support of the governing body of the City of Sanford. He said Frontier Spinning Mills has historically been committed to applying state of the art technology to their manufacturing process, and they continue with that commitment. He said they are currently evaluating a plant modernization project that will require approximately \$33 million in investment and would create thirteen jobs if it were to occur in the Sanford

facility. He said since 2007, Frontier Spinning Mills has invested over \$47 million and created over one hundred jobs in Lee County, and has made similar investments at other facilities. He said for competitive projects in 2007 and 2009, they received support from the City of Sanford and Lee County in the form of incentive grants. He said on both occasions, they exceeded investment and job creation and retention commitments, which were agreed to in the incentive contracts. He said additionally, in 2013, they completed a \$12 million expansion, creating twenty-four new jobs; however, they did not seek any incentives from the City of Sanford or Lee County, because it was not a competitive project and they did not feel it appropriate to request incentives. He said they were in a very competitive industry; however, they had succeeded in growth. He said there were many who were entering their manufacturing markets with new projects having been announced in Louisiana, South Carolina, Georgia, and Eden, North Carolina. He said this request was to keep Frontier Spinning Mills competitive with these new projects in other states and communities. He said this project meets the Economic Development Guidelines that are currently in effect and he asked Council to consider supporting this project through a traditional incentive grant.

City Attorney Patterson reviewed the details of the proposed incentive, which was to share in the cost of new machinery and equipment for Frontier Spinning Mills in an amount up to \$456,548, to be paid over a five-year period for the cost of the project, upon the company making a \$33 million investment for new machinery to be located in the City of Sanford. She said it is proposed that the project will stimulate the local economy, create jobs, and promote business.

No one spoke in opposition, and Mayor Mann closed the public hearing.

REGULAR AGENDA

Consider Resolution by the Sanford City Council Requesting the NC Board of Transportation Name a Portion of Highway 421 By-Pass from US 1 to the Merge at Cumnock Near the Deep River as the “Don Buie” Highway – (Exhibit M)

Mayor Mann read the resolution. Council Member Taylor made the motion to approve the Resolution. Seconded by Council Member Post, the motion carried unanimously.

OTHER BUSINESS

Council Member Taylor commented that he was very grateful the City Public Works staff was recognized with Public Works Week. He said that Public Works is one of the most dangerous jobs in municipal government. He also commented that he was grateful for the activities that took place in the community during the National Day of Prayer and the efforts that are going forth to restore our government through faith.

Mayor Pro Tem Williams wished all of the mothers a very Happy Mother’s Day.

Council Member Gaskins asked Attorney Patterson if they would be making a decision tonight on the public hearing for the Economic Development Incentives for Frontier Spinning Mills, Inc. Attorney Patterson said our current policy states that we will consider projects upon a recommendation of both City Council and the EDC Board. She said the EDC Board would meet May 14, 2014, and Council will take up this matter at the next Council Meeting.

Council Member Gaskins said that in addition to the people already recognized for their efforts during the Block Party, he wanted to recognize Council Members Wyhof and Post, as well as Mayor Mann and his wife for their volunteer work.

Council Member Post congratulated Adrion and Antonio Ellerby for the honor they received and thanked them for helping at the Block Party. He said he was very proud of them.

Council Member Haire commented that Council not only wanted to meet the expectations of the citizens of Sanford, but to exceed the expectations; however, funds were needed to meet these expectations. He gave an overview of the City's revenue issues and changes to the sales tax methodology. He indicated that tax increases could be needed in the next fiscal year budget in order to make the necessary paving repairs, replace old police vehicles, and to stabilize the City's revenue.

City Manager Hegwer said he was planning to present the proposed FY 2014-2015 budget at Council's meeting, on May 20, 2014, then follow up with appropriate budget meetings later that week and into the next week. He said it was possible that Council may be ready to approve the budget at the June 3, 2014, meeting. He said one of the problems they are facing with the FY 2014-2015 budget is a revenue problem. He said they made up some of the revenue shortfall last year; however, they did not make it all up. Mr. Hegwer said they had some tough decisions to make, along with the anticipated bonds. He said with the new bond schedule, they would probably see a debt service payment in the new budget. Mr. Hegwer said that currently there are approximately seven vacant positions in the General Fund that are not being filled. Mr. Hegwer said fortunately; the City was in a good financial position when we entered into the recessionary period because the City had several prior good financial years, and we had a substantial fund balance. He said they needed to be cautious, because the City needs stability when going into the bond market.

Mayor Mann commented that Council had some hard work to do. He said he did not believe they could "kick the can down the road" much further, that Council had some choices to make in order to stay out in front of things that needed to be done in Sanford. He said he hoped that as we revitalize, these investments will bring a return to Sanford. He asked Council to pray and study on these issues.

Mayor Mann said he had received some good comments from public and private businesses; that they have had pleasurable experiences working with City staff. He said staff needed to be as business friendly as possible.

Mayor Mann thanked staff and everyone who participated in the Mayor's Prayer Breakfast; those who sponsored tables and especially Kelly Miller, who did an excellent job of coordinating the function. He said he was thoroughly pleased, and the community seemed to be very positive about the function.

Mayor Mann once again thanked Adrion and Antonio Ellerby for being at the meeting and thanked their mother for bringing them.

Mayor Mann said he was looking forward to the next few weeks and that better days were ahead with the growth that is sure to come to Sanford if we continue to do the right thing.

CLOSED SESSION

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City Attorney Patterson read a motion to go into closed session in accordance with NC General Statute 143-318.11(a)(5) to establish and instruct the public body staff on the position to be taken by the public body in negotiating the terms for the acquisition of real property.

Council Member Gaskins made the motion to go into closed session. Seconded by Council Member Haire, the motion carried unanimously.

RETURN TO REGULAR SESSION AND ADJOURNMENT

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

Respectfully Submitted,

JAMES G. WILLIAMS, MAYOR PRO TEM

ATTEST:

BONNIE DAVIS, CITY CLERK