

MINUTES OF RECONVENED 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 Friday, May 30, 2014, at 12 noon, in the West End Conference Room. The following people were present:

Mayor T. Chet Mann	Council Member Rebecca Wyhof (arrived at 12:55 PM)
Council Member Jimmy Haire	Mayor Pro Tem James Williams
Council Member Sam Gaskins	Council Member Norman Charles Post, III
Council Member Byron Buckels	City Manager Hal Hegwer
City Attorney Susan Patterson	City Clerk Bonnie Davis

Absent:

Council Member Charles Taylor

Mayor Mann called the meeting to order.

NON-PROFIT FUNDING – (Exhibit A)

Council Members received copies of the non-profit entities that submitted a request for funding. They were Temple Theatre, Railroad House, Arts Council, Salvation Army, and Brick Capital Community Development Corporation (BCCDC). Brick Capital spoke with Mr. Hegwer on the phone and never submitted any paper work. The Salvation Army and Brick Capital CDC submitted their application after the deadline of January 31. Mr. Hegwer stated that, in the budget, he only funded The Temple Theatre, Railroad House, and the Arts Council; these are the three entities that have always been funded in the past for many years.

Council Member Gaskins stated that he liked having a policy for non-profits because he likes to see if the company is financially stable; is the request a one-time deal; are the Board of Directors contributing to the entity; are the by-laws being followed; and he did not like to support any organization that their Board of Directors is not supporting.

RESOLUTION REGARDING HYDRAULIC FRACTURING – (Exhibit B)

Mayor Mann asked Council if they would like to send the resolution submitted by the City of Sanford Environmental Affairs Board to the NC Mining and Energy Group? Mr. Mann was afraid if it was sent from Council, there may be some repercussions because we need to work with them to discuss the impact fees under the Fracking legislation. He would like for the study group to come to Sanford to hear what Council Members have to say.

Council Member Gaskins said that the 8 percent cap on property tax revenue is scary; even if fracking occurs in the county and there is a tremendous growth with retail in the City, we have to serve those people. He added that no matter what the growth, we will still have an 8 percent cap and the City will receive no funding from fracking.

Council Member Post stated that the study group is looking at other studies that states have done.

Letter to Representatives and Senators Regarding Fracturing – (Exhibit C)

Mayor Mann presented Council Members with a letter he has prepared to send to our representatives and senators regarding Senate Bill 786. The letter asks questions as to why we would not be able to collect impact fees under the legislation on fracking; if there is a plan in place that would stream revenue to the local governments when the profits are derived from our local area; and how are the City of Sanford and the County of Lee benefitted and protected from the fracking companies in cases of mishaps, road damage, accidents, or environmental damage; and is the Legislature requiring the companies themselves to “pay to play” when they come to our area?

It was the consensus of Council Members to send the letter from the Mayor and Council.

Law and Finance Committee Meetings

Mayor Mann said that the majority of council members are working now and he brought up the idea of possibly moving Law and Finance meetings from 1 P.M. to 4 P.M. He felt the Law and Finance meetings would be more productive if held in the West End Conference Room where they were closer together. He also suggested having only one Law and Finance Committee meeting per month.

Mr. Gaskins said the only problem he had with it is that the meetings were televised in the Council Chambers; it is more transparent and the information is presented to the public directly.

Mr. Hegwer stated that he will look at the possibility of upfitting the West End Conference Room and also canceling one Law and Finance Committee meeting per month.

Council Member Wyhof arrived at this time and stated that if the meeting is moved to 4 P.M. on Wednesday, we would not be able to participate in the Triangle J Council of Government meetings at 5:30 P.M., which is held on the fourth Wednesday of the month.

Mayor Mann stated that we will work on it and come back later and discuss the schedule.

Budget Workshop – (Exhibit D)

City Manager Hegwer and Financial Services Director Beth Kelly gave Council Members the answers to the questions that were asked on May 28, 2014. Mrs. Kelly explained that fund balance should not be used for recurring expenses. She said that due to declining fund balance over the last five years, we will be limited on using fund balance for future capital purchases.

Mr. Hegwer explained the vehicle replacement schedule and the vehicles included in Fiscal Year 2014-2015 budget: a remote control leaf vac, street sweeper, knuckleboom truck, pumper truck, and police cars. Mr. Hegwer added that next year, we are hoping to have a lean capital purchase year.

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The proposed budget as presented includes a 5 cent tax increase which generates \$1,160,000 in revenue (\$232,873 = 1 cent); and a \$75 sanitation fee increase which generates \$660,000 in revenue. After discussing the various options, it was the consensus of council members to go with Option One for Tuesday night, which is an additional 1 cent tax increase.

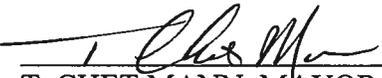
Other Business

Council Member Wyhof commented that she is not sold on the letter to the representatives and senators regarding the fracturing issue.

ADJOURNMENT

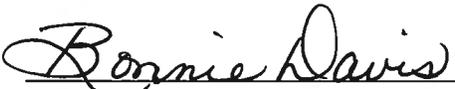
Council Member Gaskins made the motion to adjourn. Seconded by Council Member Post, the motion carried unanimously.

Respectfully Submitted,



T. CHET MANN, MAYOR

ATTEST:



BONNIE DAVIS, CITY CLERK