

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, June 3, 2014, at 7 P.M., in the Council Chambers. The following people were present:

Mayor Pro Tem James Williams
Council Member Sam Gaskins
Council Member Charles Taylor
Council Member Rebecca Wyhof
City Attorney Susan Patterson

Council Member Jimmy Haire
Council Member Norman Charles Post, III
Council Member Buckels
City Manager Hal Hegwer
Temporary Clerk Millie Johnson

Absent:

Mayor T. Chet Mann
City Clerk Bonnie Davis

Mayor Pro Tem James Williams called the meeting to order. A moment of silence was observed. The Pledge of Allegiance was recited.

PUBLIC COMMENT (Exhibit A)

Ervin J. Fox, 309 Maple Avenue, Sanford, North Carolina, voiced concerns about the traffic on Maple Avenue. He asked Council if a stop light or other means of traffic control could be installed to ensure the safety of children crossing the street, going to the park. Mr. Fox expressed concern about the two vacant houses on Maple Avenue. He said vagrants were entering these houses and he was concerned about the possibility of a fire. Mr. Fox also expressed concern about certain ladies who were soliciting on Maple Avenue.

Nancy Bouchard, 306 Cricket Hearth Road, Sanford, North Carolina, spoke on behalf of Brick Capital, and their need for financial assistance. Ms. Bouchard said he was involved in Haven as a volunteer, and Brick Capital had assisted her with supplying a meeting room for the Men's group, of which she is the facilitator. Ms. Bouchard voiced concern of the effect it would have on this community if Sanford loses Brick Capital's resources.

Van Sillaman, 8704 Twin Bridge Circle, Sanford, North Carolina, spoke about Brick Capital and the positive things it has done in this community. Mr. Sillaman spoke highly of Kate Rumley, and said he would love to see Brick Capital remain functional.

APPROVAL OF AGENDA

City Manager Hal Hegwer informed Council that staff received a request from Brooks Gage, Chairman of the Environmental Affairs Board, requesting that Item Number 10 on the Regular Agenda be withdrawn from Council consideration at this time. Mr. Hegwer also noted there were typos detected in the Council Meeting Minutes dated May 20, 2014, which is Item D on the consent Agenda, and asked that it be removed from consideration to allow staff time to ensure the corrections have been made.

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

CONSENT AGENDA

Approval of Law and Finance Committee Meeting Minutes Dated April 30, 2014 – (Filed in Vault)

Approval of City Council Meeting Minutes Dated May 6, 2014 – (Filed in Minute Book 81)

Approval of Law and Finance Meeting Minutes Dated May 14, 2014 – (Filed in Vault)

Approval of City Council Meeting Minutes Dated May 20, 2014 – (Filed in Minute Book 81)

Approval of Memorandum of Understanding to Work with the University of North Carolina (UNC) on the *Building Integrated Communities* Initiative – a Joint Project to Identify Stakeholders, Develop Strategies and Create an Action Plan to Address Immigrant Integration in our Community – (Pages 34 - 36)

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

Approval of Entering a Municipal Agreement with the North Carolina Department of Transportation (NC DOT) for the Beautification of the Roundabouts at US Highway 1 and Hawkins Avenue – (Exhibit C)

Approval of Entering Into a Utility Agreement with the North Carolina Department of Transportation (NC DOT) to Install a Waterline as Part of the Roundabout Construction at US Highway 1 and Hawkins Avenue – (Exhibit D)

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

CASE FOR PUBLIC HEARING

Public Hearing on the Proposed Annual Operating Budget for the City of Sanford FY 2014 - 2015 - (Exhibit E)

- Consider Adoption of Annual Budget Ordinance for Fiscal Year 2014-2015 – (Exhibit F)
Mayor Pro Tem Williams opened the public hearing.

City Manager Hal Hegwer pointed out that Council has had two budget work sessions and they have reviewed all information and requests. Mr. Hegwer noted that Council should have received a final set of answers to questions posed at the last budget session. Mr. Hegwer also noted that the budget ordinance for Council's consideration was revised from the budget ordinance that was previously presented. Mr. Hegwer said the difference was an increase in the tax rate from fifty-four cents to sixty cents, which is a six-cent tax increase. Mr. Hegwer said there was a decrease in the sanitation fee of \$25 per household, which resulted in a total increase

from \$150 to \$200 per household. Mr. Hegwer said that this \$25 decrease will cover approximately eighty-seven percent of the total cost of the program.

Council Member Taylor commented that he has reviewed the information that was delivered in the budget sessions and he did not see where any concession was made regarding the \$98,000 the City would be receiving from the State of North Carolina in additional sales tax. Council Member Taylor said this was announced two weeks ago for the year 2014. Council Member Taylor said the revenue amount for 2015 will be much higher than \$98,000. Council Member Taylor said this sales tax came from expanding the sales tax on new products, and from taxes collected from Amazon, which they have been collecting since February 1, 2014.

Finance Director Beth Kelly said she knew the League was working on estimates from some recent changes; however, she has not received any additional information. She said that everything the League had available at the time of budget preparation has been included in the City's revenue estimates. Mrs. Kelly said she thought some of this revenue information was already used in the League's calculation.

Council Member Post asked Council Member Taylor if this information was available two weeks ago, then why did he wait until tonight to inform Council of it? Council Member Taylor said it was because he just received the information himself and that was why he was asking the question. Council Member Post commented that it stood to reason that if Council Member Taylor had just received this information, then staff probably would not have had the information to include in the budget preparation.

Council Member Gaskins commented that from the budget information the Finance staff distributed today, he believes the Finance staff had included the League's estimated revenue due to House Bill 998 in the revenue estimates for this budget. Council Member Gaskins said the League's information showed a revenue of \$67,647 for the Fiscal Year 2014-2015. Council Member Gaskins said; therefore, if the amount was \$98,000 as stated by Council Member Taylor, he did not see where \$30,000 would make that much difference in the City's considerations.

Finance Director Beth Kelly said the revenue estimates do include everything the League predicted for Sanford in House Bill 998, and this is what the additional information that was sent to Council today was about.

Mayor Pro Tem Williams commented that sales tax has always been a question that could never be answered until after the budget was adopted; that the sales tax was always estimated.

City Manager Hegwer said it was becoming more difficult to project the sales tax based on the new methodology. Mr. Hegwer said previously, the sales tax was population-based and predictions could be easily made. He said, however, tax rates and values change, making it much more unpredictable.

Council Member Wyhof voiced concerns about Brick Capital. She said if the City was ultimately going to have some type of responsibility for Brick Capital and its programs, then Council needs to have discussions in regards to what can be done or what the options are. She

noted that at the last Law and Finance Meeting, there was reference made to some type of correspondence that had been made between Brick Capital and the City, and asked City Manager Hal Hegwer if Council needed to include the discussion of Brick Capital in this budget, or was it something that was anticipated to be discussed following the close of this budget.

City Manager Hal Hegwer said that this issue was not considered thoroughly in this budget because there was not enough information that staff could quantify quickly enough to include in this budget process. He said his goal in having the presentation at the last Law and Finance Meeting was to make sure each Council Member was educated as much as possible about Brick Capital. Mr. Hegwer said that staff was examining other communities to see what steps they were taking in dealing with these same issues and how Brick Capital's mission could be fulfilled in the future.

Council Member Wyhof commented that she was not in favor of a rash decision of any choice that was taken; she just wanted to know the status of this issue.

Mayor Pro Tem Williams asked if there was anyone else speaking for or against the proposed Fiscal Year 2014 - 2015 Annual Operating Budget for the City of Sanford. With no further questions or comments, Mayor Pro Tem Williams closed the public hearing.

Council Member Gaskins made a motion to approve the budget as presented. Seconded by Council Member Buckels, the motion carried by a six to one vote, with Council Member Taylor casting the dissenting vote.

REGULAR AGENDA

Consider Sending City of Sanford Environmental Affairs Board's Resolution to North Carolina Mining and Energy Commission – Resolution was withdrawn by Environmental Affairs Board.

OTHER BUSINESS

Council Member Taylor expressed gratitude for the calls and comments he has received in the last couple of weeks. Council Member Taylor welcomed Council Member Buckels to the City Council and said he knew he would serve his Ward well.

Council Member Haire commented that it was a tough budget to work through, and he was surprised that no one came to speak against it. Council Member Haire commented that the public must understand how the City lost money through the tax distribution methodology.

Council Member Post commented that although the Environmental Affairs Board's resolution was withdrawn from the agenda, he wanted to say that Mr. Taylor and Mr. Covington with the Mining and Energy Commission had done a fine job looking out for the citizens of North Carolina. Council Member Post said, however, that he believed the General Assembly has not necessarily done what they probably should be doing. Council Member Post said he would like to personally invite our representatives from the General Assembly to come and speak to Council and answer questions with regard to fracking. He said he would like to invite Senator Rabin and Representative Mike Stone, the two who voted for Senate Bill Number 786, and also Robert Reives who voted against Senate Bill Number 786. He said he would like for them to

speak to Council and explain why they voted the way they did, and specifically why the General Assembly felt it necessary to “fast track” Senate Bill Number 786, the Energy Modernization Act, when the Mining and Energy Commission is not even set to finish the development of a modern regulatory program for the management of oil and gas exploration and activities in North Carolina, including the use of horizontal drilling and hydraulic fracking. Council Member Post said he also would like to ask them why the General Assembly deemed it necessary to take any and all power away from local governments in Senate Bill Number 786, by insuring that local government ordinances associated with fracking are invalid and repealed. Council Member Post said local governments cannot impose any tax on energy minerals produced in the state, which means Sanford and Lee County take all the risks and get no reward. Council Member Post said he wanted an explanation why a study group will be formed to set the guidelines for counties so the taxation of minerals is consistent throughout the state; does this mean that each city and county can adjust their tax with regard to hydraulic fracturing that is taking place within their local. Council Member Post said also, there is a study group to be formed to study ways to limit the growth of property tax revenues resulting from increased property values. Council Member Post said in addition to these representatives, he also would like to invite the Energy Commission to come and give a presentation with regards to a lot of the questions many people have about the environmental effect of fracking and the impact fracking could potentially have on business properties, property rights, and infrastructure.

Mayor Pro Tem Williams said he attended Pilgrim Pride’s family day on Saturday, it was very nice. Mayor Pro Tem Williams reminded Council that tomorrow is Town Hall Day, and encouraged Council Members to attend.

Council Member Taylor said the Mining and Energy Commission would have meetings June 5 and 6, 2014, beginning at 9:00 A.M. in the Archdale Building. He said they would be reviewing the revised rule-set and these meetings are open to the public.

ADJOURNMENT

Council Member Wyhof 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