

LAW AND FINANCE MEETING
Wednesday, September 10, 2014
Held Immediately Following the 5:00 P.M. Work Session
Council Chambers, 225 East Weatherspoon St., Sanford, NC

The Law and Finance Committee met on Wednesday, September 10, 2014, in the Council Chambers at City Hall immediately following the work session held at 5:00 P.M. The following people were present:

Law and Finance Committee:

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

Absent:

City Attorney Susan Patterson
Council Member Charles Taylor

Mayor Chet Mann called the meeting to order.

Consider Comments from Environmental Affairs Board to the Mining and Energy Commission on the Proposed Rules – (Exhibit A)

Community Development Director Marshall Downey explained that the Environmental Affairs Board (EAB) met at the end of last month and the primary purpose was to focus on written and oral comments in preparation for the Oil and Gas draft rules. They spent a great deal of time considering a strategy on how to deal with the written comments that had to be submitted to the Rules Committee by the end of this month (September 30). At that meeting, the attendees identified who would be attending the last August public hearing held in Lee County at the Civic Center. At the public hearing, they identified some of their questions and comments they wanted to make.

Brooks Gage, member of the Environmental Affairs Board said that the committee picked out four areas that the committee repeatedly heard mentioned from citizens and that kept coming up at the public hearing meetings. They attended another meeting in Raleigh prior to the one held in Sanford. Ms. Gage spoke about the four concerns which were chemical disclosure, waste disposal, setbacks, and water. She said they would like to have Council's endorsement along with the Environmental Affairs Board when they send the comments in before September 30.

Council Member Wyhof said that the EAB Board spent a considerable amount of time discussing some of the things that were most concerning to the City - local control, zoning and the ability to receive any financial compensation back to the City.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2014-2015 – (Exhibit B)

Financial Services Director Beth Kelly said that this ordinance amends the operating budget for FY 2014-2015 to transfer \$7,770 of contingency funds to the Fire Department and

Finance budgets; \$2,770 to the Fire Department to budget for the fire annexation reimbursement for the lump sum payout to the Northview Volunteer Fire Department related to the annexation of the 5.94 acres at the corner of Beechtree Drive and Cotten Road, and \$5,000 to the Finance Department for the additional audit fees related to mandated testing required by the State Auditor's Office. Staff received a memo within the last month and just received this memo from our auditor's related to the state's request. The Governmental Accounting Standard's Board (GASB) has issued GASB 67, 68 and 71 for Fiscal Years beginning June 30, 2015. These new standards are going to change recording requirements for pension plans and the State auditor's office audits the pension plans for the State, which includes the State's Comprehensive Annual Financial Report. In order for them to issue an opinion on the State's financial statements, they are required to include in that all local governments. Instead of doing the testing themselves, they are passing it down to the local governments to require a random selection of local governments to have their pension information and census data tested. At that point, we are going to be charged \$5,000 to do this additional testing with our auditors. It will not be all local governments or counties, there has been a random selection made of certain units and we were drawn in the selection.

Consider Reimbursement Resolution – Acquisition of Land – (Exhibit C)

Financial Services Director Beth Kelly explained this is a reimbursement resolution for \$80,000 which allows the City to be reimbursed for the purchase and closing costs of the parking lot (purchased from Ruth Gurtis and family) on Carthage Street from the Streetscape Bond Proceeds.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2014-2015 – (Exhibit D)

Financial Services Director Beth Kelly explained that this ordinance amends the operating budget to appropriate the \$80,000 of fund balance to Public Building so we can pay out for the purchase and closing costs of the parking lot on Carthage Street (purchased from Ruth Gurtis and family). Once the debt is issued, the City will be reimbursed.

Consider Entering Into a Sidewalk Agreement with Department of Transportation for the Horner Boulevard Sidewalk Project - (Exhibit E)

Consider Entering Into a Sidewalk Agreement with Department of Transportation for the Nash/Bragg Street Sidewalk Project - (Exhibit F)

City Engineer Paul Weeks informed Council that the City of Sanford received grants from the Department of Transportation (D.O.T.) (Transportation Enhancement Grants) to go toward two of our sidewalk projects. The two agreements formalize the agreements with the D.O.T. and they state the requirements of the grants. They will be funding up to 80 percent to a maximum amount for each project area. We are required to provide a match of 20 percent, which will come from the funds that we have set aside for construction of the bond sidewalk reimbursements. This agreement is for sections of Horner Boulevard from Weatherspoon Street to Main Street on both sides (filling in the gaps). The Nash/Bragg Street sidewalk project connects the high school to Horner Boulevard and provides us a connection to Kelly Drive where Central Carolina Community College exists.

The D.O.T. grant is \$280,672 for both projects (\$112,040 for Horner Boulevard project and \$168,632 for Nash/Bragg Street). All this money is on a reimbursement basis. We spend the

money upfront and once the project is complete, we submit our invoice to D.O.T. for reimbursement. The projects have to be completed and the City reimbursed by June 30, 2015.

Capital Project Ordinance Amendment – Sidewalk Improvements – (Exhibit G)

Financial Services Director Beth Kelly explained that this is a capital project ordinance amendment for the bond sidewalk improvements, which transfers \$70,168 that we will be allowed to use towards the match for the Department of Transportation Enhancement grant. This amount will be put into two separate projects (Horner Boulevard (\$28,010 match and Nash/Bragg Street (\$42,158).

Grant Project Ordinance – North Carolina Department of Transportation – Sidewalk Project – Horner Boulevard) - (Exhibit H)

Financial Services Director Beth Kelly explained that this is a grant project ordinance which sets up the Horner Boulevard grant; \$112,040 grant proceeds from D.O.T. and \$28,010 match from the City.

Grant Project Ordinance – North Carolina Department of Transportation – Sidewalk Project – Nash/Bragg Street) - (Exhibit H)

Financial Services Director Beth Kelly explained that this is a grant project ordinance which sets up the Horner Boulevard grant; \$168,632 grant proceeds from D.O.T. and \$42,158 match from the City.

Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2014-2015 – (Exhibit J)

Financial Services Director Beth Kelly explained that the ordinance amends the operating budget to appropriate \$9,264 from Fund Balance and \$43,873 from installment purchase proceeds to the Fire Department. Council originally approved \$480,000 in the budget for a fire pumper. Bids came in a little higher than originally projected and the bids are good for only 30 days.

Fire Chief Wayne Barber stated that a committee was formed to put together specifications for the fire pumper. They tried to mirror the same features of the last two trucks that were purchased because the department has been well pleased with them. When the budget was done this year, he used approximately 2 percent per year for an increase; however, when the prices came in, they were a little bit over. Almost half of the increase in the pumper is because of regulatory changes. EPA changed their pollution standards for the diesel engine and the manufacturer said it was a \$14,000 increase. The NFPA required, just like airplanes, a black box on all the fire trucks that monitor seatbelts, speed, brakes, etc. This requirement along with the pollution standards is an increase of about \$20,000, which staff had no control over. The bid came in at \$523,873 which includes the performance bond. Committee members Driver/Operator Phillip Johnson, Driver/Operator Frank Layton, Firefighter III Chris Cox were present for questions. They are all off different shifts and are at different stations.

Other Business

Mayor Mann referred to Exhibit K – Information on Communities of Distinction placed at Council Members' seats. He said this is for Council's consideration. He and the city manager were contacted by a television show entitled, "Communities of Distinction." They are on the Discovery Channel and certain FOX Channels. It is a series about live, work, and play in America.

They identify communities with different criteria and sizes. They come in and work with staff on the scripts, the people and places. They come in and do a shoot; it is about a five to seven minute segment on a 30 minute show. It is narrated by Football Player Terry Bradshaw. There is a cost of about \$19,800 to have them film the show. They pay for all the other productions and we would own the license to the video of which the community could use it for their own marketing purposes. The quality is great but there is a cost. He would like for Council to review the information and see if it is something the City wants to do and to see if anyone else in the community is interested in sharing the cost, whether it be Lee County, Sanford-Lee County Partnership for Prosperity, or the City.

Council Member Gaskins wished Council Member Rebecca Wyhof a happy birthday today.

Council Member Haire commented on how good the work session was regarding Brick Capital Community Development Corporation. It was money well spent to perform the assessment.

Council Member Wyhof stated that the inaugural meeting of the Citizens Academy was held this week. She said the mayor gave an excellent presentation going through the vision of the City, the role of the mayor and council, and it is a fantastic group of participating. She encouraged other council members to drop by a session to meet the participants. She praised Public Information Officer Kelly Miller for putting this together.

Ms. Wyhof stated that it was one year ago today that the bond referendum passed. Everybody is eager to get the information updated as to where the City is on all the projects.

Ms. Wyhof said the ribbon cutting was held yesterday for the Lee County Fair. She encouraged the public to attend.

City Manager Hegwer said he will present a list of updates on the bond referendum and other projects at Council's next meeting.

Mayor Mann echoed Ms. Wyhof's comments regarding the Citizens Academy. Mr. Mann said that Council Member Buckels took him and the city manager to Lee County Industries. He said that is a company that is doing incredible things with skilled workforce and was pleased to see what they were doing.

Closed Session

City Manager Hal Hegwer read a motion to go into closed session in accordance with N.C.G.S. 143-318.11(a) (4) and (5) to discuss a matter relating to the location or expansion of industries or other businesses in the area served by the public body and to instruct the public body staff or negotiating agents concerning the position to be taken on the price or other material terms of a contract for the acquisition of real property. So moved by Council Member Williams and seconded by Council Member Gaskins, the motion carried unanimously.

Law and Finance Committee Meeting
September 10, 2014

Return to Regular Session and Adjournment

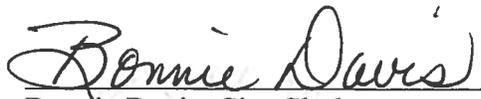
City Council returned to regular session around 6:10 P.M. Council Member Sam Gaskins made the motion to adjourn the meeting. Seconded by Council Member Norman Charles Post III, the motion carried unanimously.

Respectfully Submitted,



T. Chet Mann, Mayor

ATTEST:



Bonnie Davis, City Clerk