

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 19, 2015, at 7 P.M., in the Council Chambers. The following people were present:

Mayor T. Chet Mann
Council Member Byron Buckels
Council Member Jimmy Haire
Council Member Charles Taylor
Council Member Rebecca Wyhof
City Attorney Susan Patterson

Mayor Pro Tem James Williams
Council Member Sam Gaskins
Council Member Norman Charles Post, III
City Manager Hal Hegwer
City Clerk Bonnie Davis

Mayor Mann called the meeting to order. Mayor Pro Tem Williams delivered the invocation. The Pledge of Allegiance was recited.

PUBLIC COMMENT

Brenda Johnson (of 815 W. McIntosh Street), a Board Member of Brick Capital Development Corporation ("Brick Capital"), noted some of the benefits and contributions made by Brick Capital to the community and explained that without additional funding, Brick Capital may have to shut down in the very near future.

Gail McSwain (of 500 S. Vance Street), a resident of housing provided by Brick Capital, explained that Brick Capital's renovation of the W.B. Wicker Center allowed her and others in the community to attend classes at the Center offered by Central Carolina Community College.

James Peoples (of 1407 Washington Avenue) stated that he owns a home built by Brick Capital and his neighborhood has been greatly improved by housing constructed by Brick Capital.

APPROVAL OF AGENDA

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

CONSENT AGENDA

Approval of City Council Minutes Dated May 5, 2015 - (Filed in Minute Book 84) - (Exhibit A)

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Approval of Ordinance Establishing a No-Parking Zone Along a Portion of Elm Street - (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 Resolution Authorizing the Filing of an Application for Approval of a Financing Agreement Authorized by North Carolina General Statute 160A-20 (Streetscape and Pedestrian Improvements) - (Exhibit D)

Approval of Resolution Approving Financing Terms (Streetscape and Pedestrian Improvements) - (Exhibit E)

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

REGULAR AGENDA

Consider Presentation of Classification and Compensation Study Findings, Conclusions, and Recommendations- (John A. Anzivino of Springsted, Incorporated) - (Exhibits F and G)

Human Resources Director Chris Pickens explained that since their department requested a Classification and Compensation Study last year, staff has met and worked with Springsted, Incorporated over the last several months.

John Anzivino, Senior Vice-President with Springsted and a former County Administrator and City Manager in Virginia, explained the process and methodology used in the study. He summarized the findings by stating that employee salaries are, for the most part, competitive within the labor market; however approximately six percent (21 employees out of 339) are paid at a rate lower than the average minimum salaries and some internal pay relationship inequities exist.

Joel Davis, Vice-President with Springsted, explained the "open range" system, which they recommend rather than the "step" system currently used. He stated that under the current step system the entire structure must be adjusted whereas in the open range system, only the minimum, midpoint and maximum are adjusted, allowing for more flexibility when bringing in an employee.

Mr. Anzivino informed Council that twenty localities and the NC State Highway Patrol were contacted to define the market for benchmark information and responses were received from fourteen of them, providing a good and broad representation of data for a number of positions. Eight of the fourteen respondents use the open range system which they are recommending.

Mr. Anzivino explained that jobs were evaluated to assign positions to pay grades through the Position Analysis Questionnaire and Springsted's "SAFE" system which assigns points for criteria related to the job, such as the amount of supervision exercised and working conditions. Positions were reviewed, points assigned and totaled, then compared to determine how positions relate to one another. It is a very logical, reasonable system which brings some sense of order to the workplace.

Mr. Anzivino explained the three options recommended by Springsted:

1. Increasing pay to the City employees who are paid below the minimum of the proposed and recommended salary grade (approximately six percent or 21 employees) to those levels. This would result in a payroll cost of approximately \$21,000 which he noted is a very small amount compared to most studies they perform, including one done recently whose minimum impacts were in the \$250,000 - \$270,000 range.

2. Placing employees who are below the minimum to the recommended minimum and providing a minimum 2% increase, whichever is greater: all City employees are impacted. This would result in an annual payroll cost of approximately \$314,000 but begins to address salary compression issues and provides market comparability and competitiveness since it takes into consideration getting all employees into the new pay schedule.

3. Adjusting for years of service. All employees are first taken to the minimum of the pay grade and moved at 0.5 percent per year of service. This has an impact of just over \$600,000 and takes into consideration the experience factor and addresses compression issues, which most localities consider when they have the resources available for implementation.

Mr. Anzivino suggested that the City continue considering annual adjustments and consistency with the method used for calculation (whether Consumer Price Index, information from comparable organizations or a mix) and not to make the decision based on which has the least impact. He also made a strong recommendation that adjustments recognize individual employee performance, which is becoming more the norm in today's marketplace.

Regarding fringe benefits, he explained that the City's benefits package is fairly solid. Of 26 elements surveyed, the City was consistent with or above the market on 21 (including holiday, annual/sick leave, life insurance, pension/retirement benefits); the five which were not consistent were relatively insignificant. The City pays slightly more for employee only insurance coverage but slightly below average on other levels (employee/spouse, employee/dependent, family coverage).

There was discussion regarding wage compression, high insurance costs (causing some employees to seek second jobs) and private sector wages and benefits. Mr. Anzivino explained that obtaining information from private employers is extremely difficult. They have been unable to obtain data due to concerns from those companies regarding privacy and anonymity.

Consider Reimbursement Resolution- Acquisition of Land (King Roofing Building) - (Exhibit H)

Financial Services Director Beth Kelly explained that this would be part of the Greenway project, which is to be financed through Greenway Bond proceeds in the amount of \$220,000. These funds will be reimbursed from the bond proceeds once that debt is issued.

Council Member Gaskins made a motion to approve the resolution. Seconded by Mayor Pro Tem Williams, the motion carried six to one; Council Member Taylor cast the dissenting vote.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford (King Roofing) - (Exhibit I)

Finance Director Beth Kelly explained that this amendment appropriates \$220,000 of Fund Balance to the Public Building Department for acquisition of the King Roofing property.

Council Member Gaskins made a motion to approve the ordinance. Seconded by Mayor Pro Tem Williams, the motion carried six to one; Council Member Taylor cast the dissenting vote.

Consider Ordinance Amending the City Code of the City of Sanford, North Carolina - (Exhibit J)

Code Enforcement Director Barbara McMillen explained that this ordinance revises portions of the City Code pertaining to abatement of nuisances such as overgrown lots and trash, as well as other health and safety issues. It shortens the time period for compliance, provides additional methods for service of the violation notice and contains a provision for the City to abate the nuisance once the deadline passes if the owner fails to do so.

Council Member Williams made a motion to approve the ordinance. Seconded by Council Member Taylor, the motion carried unanimously.

OTHER BUSINESS

Council Member Taylor asked for continued patience with roundabout construction on Hawkins Avenue. He has worked with the Northview Shopping Center lessor on some type of rent relief since many tenants there have seen a significant decrease in business since construction began;

he asked everyone to support these businesses. He also asked that everyone remember the true meaning of Memorial Day and to be thankful for the men and women who have served our country proudly and those who continue to serve, enabling us to have the freedoms we enjoy.

Mayor Pro Tem Williams wished everyone a safe and enjoyable Memorial Day.

Council Member Wyhof commented on the ground-breaking ceremony for the Downtown Streetscape project and reminded everyone that one has been scheduled for May 21 in Jonesboro. Great things are happening in Sanford and she encouraged everyone to participate and celebrate.

Council Member Post stated that as liaison for the Sanford ABC Board, he recently learned that they have appropriated funds for fifteen college scholarships worth \$2,000 each to be awarded to seniors graduating from Lee County's high schools. They also provide \$12,500 to our local schools to fight alcohol and substance abuse.

Council Member Buckels thanked the citizens who made public statements and told them that their voices are essential and vital. He urged them to continue speaking up for their community.

Mayor Mann commented that he had difficulty finding a parking space downtown one night last weekend due to the large number of people in the area. He acknowledged the patience demonstrated by merchants during the streetscape construction and in the Northview community. He expressed his belief that both of these projects will benefit our City. He also acknowledged work done by Council tonight on the budget and noted that more work will be done on it next week.

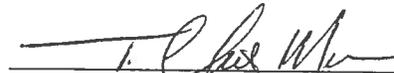
City Manager Hegwer explained that his budget message indicated approximately 5 percent of the work force in the City fell below what the Springsted report indicated as a competitive wage while the report revealed that this figure was actually 6 percent. He pointed out that this figure was updated after his letter was prepared.

**ALL EXHIBITS CONTAINED HEREIN ARE HEREBY INCORPORATED
BY REFERENCE AND MADE A PART OF THESE MINUTES.**

ADJOURNMENT

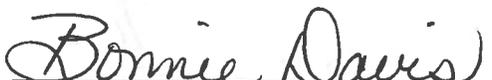
Council Member Buckels made the motion to adjourn the meeting; seconded by Council Member Post, the motion carried unanimously.

Respectfully Submitted,



T. CHET MANN, MAYOR

ATTEST:



BONNIE DAVIS, CITY CLERK