

MINUTES OF BUDGET WORKSHOP OF THE
CITY COUNCIL OF THE CITY OF SANFORD
SANFORD, NORTH CAROLINA

The City Council reconvened the budget workshop meeting at the Sanford Municipal Center, 225 E. Weatherspoon Street, on Tuesday, May 27, 2015, at 4:00 p.m., in the West End Conference Room. The following people were present:

Mayor T. Chet Mann
Council Member Byron Buckels
Council Member Jimmy Haire
Council Member Charles Taylor
City Clerk Bonnie Davis
City Manager Hal Hegwer

Mayor Pro Tem James Williams
Council Member Sam Gaskins
Council Member Norman Charles Post, III
Council Member Rebecca Wyhof
City Attorney Susan Patterson

Mayor Mann called the meeting to order and opened the floor for discussion.

Council Member Buckels opened the discussion on ways in which the City could support Brick Capital Community Development Corporation. City Manager Hal Hegwer stated that a Progress Report (Exhibit A) was provided summarizing Brick Capital's responses to recommendations from the assessment by the Development Finance Initiative at the UNC School of Government. In December 2015, Brick Capital received \$52,875 from the sale of timber (shown as Recommendation Item 1.1 on the Progress Report). Finance Director Beth Kelly stated that Brick Capital currently has approximately \$18,000 available for operating expenses. Additional funds held by them are subject to restrictions on their use.

The sale or transfer of other tangible assets was also discussed, including transferring vacant property on Washington Avenue (previously considered for a solar farm) to the City in order to eliminate the property tax expense. Mr. Hegwer noted that one of Brick Capital's largest recurring expenses is the continued ownership cost of their former office at 403 Makepeace. The possible sale of this property to the City or County was also discussed, which would eliminate their monthly mortgage expense, property tax payments and other associated costs of ownership, thereby freeing up cash. This would also give the City or County a tangible asset in return, rather than providing funding. It was suggested that an Interlocal Committee meeting be held between City and County officials in order to discuss the possible purchase and potential uses for this property.

Mayor Mann noted that a list of budget-related questions (from Council Members) and answers (from staff) was provided (Exhibit B). He also encouraged everyone to raise any questions not covered.

The following topics were among those discussed:

- Code Enforcement Department's open position (Mr. Hegwer explained that the estimated cost of \$57,000 includes benefits and is not only wages.)
- Compost (possibly discounting the price when there is an oversupply)
- Golf Course (improved tracking and marketing through technology)

- Permits (increasing prices after market comparison with other cities/counties-shown on Exhibit D)
- Display cabinets in City Hall (updating material currently housed there)
- Code Enforcement actions (shown on Exhibit C)
- Permitting fees (charges in neighboring cities and counties)

Mayor Mann recessed the meeting at 6:00 P.M. and reconvened the meeting at 6:20 P.M.

The following topics were among those discussed after the meeting was reconvened:

- Reallocation of vehicles from one department to another and current vehicle replacement policy (City Manager Hal Hegwer explained that by purchasing vehicles at steep discounts and selling them before they need substantial maintenance or repairs, the City avoids costly repairs by maintenance staff and is able to recoup much of the purchase price, often at prices near the original purchase price. He also noted that since they are under warranty, very little staff time is required for maintenance and repairs before they are sold.)
- Police cameras (City Manager Hegwer stated that the hope is to receive guidance from the State regarding their use, storage of video, privacy concerns and many other related issues.)
- Fire Department (Council Member Taylor expressed his opinion that Council should be setting funds aside for future construction of another fire department and/or emergency services department along the Highway 87 corridor, in light of recent growth in that area. Consensus appeared to indicate the need for a work session to discuss the possible need for an additional department in the future.)
- Street resurfacing

Council Member James Williams left the meeting at approximately 7:30 p.m.

Council Member Taylor requested that the issue of baseline testing of water quality near the coal ash site be included for discussion at the Interlocal Committee meeting when it is scheduled.

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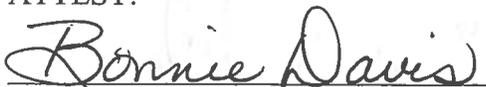
Mayor Mann recessed the budget workshop until Monday, June 1, 2015, at 5:00 P.M., in the West End Conference Room.

Respectfully Submitted,



T. CHET MANN, MAYOR

ATTEST:



BONNIE DAVIS, CITY CLERK