

LAW AND FINANCE MEETING
Wednesday, August 12, 2015
5:00 P.M., Council Chambers
225 East Weatherspoon St., Sanford, NC

The Law and Finance Committee met on Wednesday, August 12, 2015, in the Council Chambers of City Hall, located at 225 East Weatherspoon Street, 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 Byron Buckels	Council Member Sam Gaskins
Council Member Jimmy Haire	Council Member Rebecca Wyhof
Council Member Norman Charles Post, III	Council Member Charles Taylor
City Clerk Bonnie Davis	City Attorney Susan Patterson
City Manager Hal Hegwer	

Mayor Chet Mann called the meeting to order.

Consider Resolution in Support of the Temporary Closure of Several Streets for the Purpose of the Sounds on Steele Music Festival - (Exhibit A)

Interim Street Superintendent Fedd Walker advised that Chris DeLambert with Temple Theatre and the Sounds of Steele Street are requesting the closure of several streets for "The Sounds on Steele" music festival.

Chris DeLambert advised that the original plan was to close the entire block of Steele, Wicker, Moore, and Carthage Streets; however, as time went on, they adjusted it based on the will at the time of DSI, and this is where a new plan has come from. This would least disrupt businesses on the day of event. There were concerns voiced to not close Steele Street so they have made the move to not close Steele Street between Carthage Street and Wicker Street and move the event from the second stage, being on Wicker Street, to Depot Park. It works well for them and since that decision was made, they are being asked again by the retailers to close Steele Street and include it. If they close Steele Street on the day of the event, they will structure the event so that Steele Street does not require any admission to get onto Steele Street. That will not be a premium part of the festival. They will put merchandise tents up on Steele Street, all along the street, with the emphasis being on the bands and artists tents; this gives maximum impact and the greatest chance for people to leave the venue there on Carthage and Moore Streets and travel onto Steele Street. The goal is to get people into the restaurants and retailers as part of this program. The alternative is if they do not close Steele Street, it will become a parking lot for the event. Closing Steele Street and not requiring any admission to pass there on foot is the way to go.

Jennifer Gentile added that the DSI Board, after polling merchants, are in agreement about closing Steele Street and Moore Street as well. They see the big picture. DSI's biggest concerns were the fees to get access to those retail fronts and restaurants; making sure that security is adequate; and that all permits have been submitted.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford for Fiscal Year 2015 – 2016 – (Exhibit B)

Financial Services Director Beth Kelly explained that this ordinance amends the annual operating budget. This is the annual re-appropriation of funds for items that were budgeted in the prior year and were not expended due to goods not being received, or services that were not completed by June 30.

Consider Update Regarding UDO Text Amendment Requiring Curb & Gutter and Sidewalks - (Exhibit C)

Community Development Director Marshall Downey stated that this item will be placed on Council's agenda for Tuesday night. He gave an update on the proposed text amendment which would require sidewalks and curb and gutter within all subdivisions, except for residential subdivisions located in the unincorporated area of Lee County that include a minimum lot size of 30,000 square feet or great. (The current language requires curb and gutter and sidewalks only within residential subdivisions with a minimum lot size of less than 20,000 square feet.)

The Planning Board tabled action on this item on March 13, 2015. They directed staff to research other communities our size to see how they dealt with curb and gutter and sidewalks in terms of requirements and to look at the density in comparison with it. He referred to Exhibit C – a list of cities that were contacted our size and what they require. This information was presented to the Planning Board in April of this year. The Planning Board asked staff to meet with the local developers/home builders to have further discussion on this requirement (meeting was held in June with five members present). A list of concerns is listed on Exhibit C. The home builders were opposed to the proposed amendment. They want to leave the ordinances as is currently written. The five members at the meeting did concede that their impact on future development in Sanford is likely relegated to a “niche” role with smaller, infill type projects.

They presented all this information back to the Planning Board in July. There was lengthy discussion and the Planning Board recommended to approve by a 4-2 vote of the amendment as presented by staff.

Mann Mann noted that it has been said to him that we have a donut hole in Lee County. The economics of it make this kind of density better. Sanford is one of the least dense places around and in order to get the residential housing that we are seeking and the kind of tax base needed, this amendment meets it. Mr. Downey added that Sanford ranked 19th out of 20 in density among the cities surveyed. Anything that has an active valid preliminary plat would be grandfathered in.

Consider Presentation on Building Integrated Communities Update – (Exhibit D)

Community Development Director Marshall Downey stated that the City of Sanford received a grant in spring of last year to do what is known as “Building Integrated Communities (BIC).” This is a statewide initiative that helps North Carolina local governments successfully engage with immigrants and refugee populations and improve public safety, promote economic development, enhance communication, improve relationships and increase immigrants' access to leadership opportunities. He said 11,448 Lee County residents are of Hispanic origin. This accounts for 19.2 percent of the total population or almost one out of every five county residents

being Hispanic. In the City of Sanford, 6,490 residents are of Hispanic origin, which equates to almost one out of every four City residents are Hispanic. He explained the process and explained that the local officials and the BIC team commit to three years to ensuring that goals are reached and strategies are implemented. The City has just completed Year One. The expectation is that local governments commit financial resources and significant time to enhancing immigrant integration opportunities.

Hannah Gill, Latino Migration Project Director with UNC at Chapel Hill, gave an overview of the key steps that have been completed at the end of Year One which include the BIC Committee being created, 300 surveys completed by local immigrants and U. S. born children, three public meetings conducted in Spring 2015 and important data collected as they move to Year Two of the program. They are now completing an executive summary that will summarize the major issues for local integration as well as resident recommendations for improving integration. She explained what the process will be in Years Two and Three.

Jessicalee White, BIC Researcher & Coordinator with UNC Chapel Hill, displayed some pictures of community support at the meetings that were held. The BIC Committee is starting to determine what priority issues it will address to support local integration and after that, they will be holding larger public meetings to involve residents in strategizing ways to address those issues. They may call on some of the City's departments and agencies for their input and support. She recognized Rev. Erika Martinez Flores, Executive Director of El Refugio/The Refuge Family Resource Center at Jonesboro United Methodist Church, and Santiago Giraldo, Member of St. Stephen the first Martyr Roman Catholic Church and Student, Liberty University. They spoke and shared their thoughts about the project; they want to be a part of the community and to be involved in Sanford's future.

Consider Resolution Authorizing Loan to the Sanford-Lee County Regional Airport Authority – (Exhibit E)

City Manager Hegwer explained that in April of 2015, Council approved a loan in the amount of \$226,111 for one-half of the local match required for the Airport Authority to receive a NC Department of Transportation grant for the taxiway rehabilitation widening and for the expansion of the apron. The airport has continued to grow and the demand for T-hangars has increased. There is a waiting list for T-hangars for the smaller generation aircraft. The Airport Authority would like to proceed for the construction of an additional 30 T-Hangars at a cost of \$1.2 million and the Federal grants total over \$4 million. The \$226,111 is for the match and the \$1.2 million is for the construction of the 30 T-Hangars. The Authority is requesting to borrow a total of \$850,000 each from the City and the County for a 15-year period. The Authority has retained the services of a Financial Advisor, Davenport & Associates, who works closer with the County on many of their bond issues. In conjunction with working with the Local Government Commission (LGC), this resolution authorizes the loan to the Sanford-Lee County Regional Airport Authority. The Authority and the Local Government Commission feel comfortable with a market rate of interest to be paid to the City. They are recommending 2.83 percent. The Airport Authority currently has an existing loan with the City.

Financial Services Director Beth Kelly explained that the old loan would not be restructured with the new loan. We have three years left on the old loan at 5.25 percent interest.

By the time that loan is paid out, we will have earned about \$151,000 on interest and the County will have earned the same. The new loan would be 2.83 percent and we will know more once the LGC approves as to the flat level payments, that we feel the LGC is going to request; 2.83 percent is way more than what the City is earning on investments currently.

Council Member Wyhof asked if there is any issue tying up that amount of money in one investment. Mrs. Kelly replied that it would deplete cash and hit our fund balance in the current fiscal year; however, we will also book that as a receivable and will recognize that additional income in to our budget to be able to use in our operating. Because of the increase in the sales tax revenue and utility franchise that we received in this year and savings on expenditures, it looks like we will increase our fund balance in June 30, 2015 fiscal year end, so she felt it would be okay. It will help us in future operating budgets.

Mr. Hegwer encouraged Council Members to attend one of the meetings.

Mayor Mann added that the Duke Site Readiness representatives said the one thing we were not emphasizing enough in marketing to other communities about locating a business in Sanford is the airport. They thought it was a gem and very unique.

Consider Request from the Sanford Lions Club for Wood Chips – (Exhibit F)

City Manager Hegwer advised that the Sanford Lions Club is requesting some wood chips. We have a good relationship with them and we use their property from time to time when we sponsor a conference (such as APWA and AWWA) at the Service Center for educational purposes. They need the wood chips to enhance the property for the Lee County Fair. We have more wood chips than we can get rid of.

Mayor Mann informed everyone that with the new legislation that was passed in the General Assembly this year, fairs are now sales taxed. Lee County Fair is one of the largest of the small fairs and they will lose \$250,000 to that sales tax this year.

Discussion Regarding Fireworks

City Manager Hegwer advised that staff and he have met with the Fire Department officials and talked a little about fireworks. A consultant has come in and felt comfortable that we could hold a fireworks display in our downtown area. If it is something we are committed to in the future, we would like to do some testing in the downtown area and depending on where the fireworks are watched from. A committee will be put together with the Sanford Fire Department and if any Council Member that would like to be a part, they are welcome to join in. It will require some potential monetary commitment from the City Council.

Council Member Haire suggesting checking with Hickory, because they hold one right after the Christmas parade in their downtown area.

Other Business

Council Member Taylor said he noticed that the sports complex update is going to be the item at the policy luncheon on September 14 and he would like to know if they can get an update prior to that date.

Council Member Haire announced that the Wilrik Hotel is 90 years old this month. They opened in August 1925 and what greater platform to launch the fireworks than the top of the Wilrik Hotel. He added that the old Hardees building on Horner Boulevard is going to be Rotisserie Chicken Restaurant. He said that he mailed some information about a building to a gentleman and the architects are down to look at the building. Mr. Williams and he met with the gentleman and showed them some pictures of what it is going to look like after the completion of streetscape. The gentleman is buying the building and they are going to have something here that no one else has.

Council Member Wyhof stated that she had a wonderful time visiting the different sites during National Night Out. She thanked Public Information Officer Kelly Miller, the Fire Department, Police Department and everyone who participated.

Mayor Mann that a clothing boutique store is opening on Steele Street. At the end of Chatham Street, the old Captain Rod Sullivan building is being upfitted. He noted that they are trying to put together a Chinese Sister City planning meeting. Anyone that is interested in going on the trip or not are invited to come and participate next Friday, August 21, at 11:30 A.M., at Central Carolina Community College Science Building Conference Room. Mr. Mann stated he needs to know who would like to go to China because he needs to know how many people are attending so we can include that in our budgeting and planning.

Closed Session

City Attorney Patterson read a motion for Council to go into closed session in accordance with N.C.G.S.143-318.11(a) (5) to instruct the public body staff with regards to the material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease. So moved by Council Member Wyhof and seconded by Council Member Gaskins, the motion carried unanimously.

Return to Regular Session and Adjournment

Council Member Haire made the motion to adjourn the meeting; seconded by Council Member Gaskins, the motion carried unanimously.

Respectfully Submitted,



T. CHET MANN, MAYOR

ATTEST:



BONNIE DAVIS, CITY CLERK