

SANFORD CITY COUNCIL
WORK SESSION
Tuesday, February 9, 2016
The Buggy Company Building-
115 Chatham Street, Sanford, NC

The City Council held a Work Session on Tuesday, February 9, 2016, at 5:00 p.m. in the Conference Room of The Buggy Company Building, 115 Chatham Street, Sanford. The following people were present:

Mayor T. Chet Mann
Council Member Jimmy Haire
Council Member James Williams
City Manager Hal Hegwer
City Clerk Bonnie Davis

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

Absent:

Council Member Byron Buckels

Council Member Norman Charles Post, III

Work Session

Mayor Chet Mann called the work session to order and welcomed everyone to Council's first meeting in the new Buggy Company Building.

Utility Payment Processing Options – (Exhibit A)

Finance Director Beth Kelly summarized information on utility payment methods used by customers in 2015. Lockbox payments decreased but walk-in traffic and on-line payments increased. While some businesses charge fees for credit card payments, we do not; costs are absorbed by the City. She noted that every walk-in and call-in payment is handled by a Customer Service Representative (CSR). From July through November, 2015, more than half of the walk-in payments were made by cash. Walk-in payments made on service cutoff deadline dates ranged from 43 to 54 percent of total walk-in payments, meaning that CSRs process 450 to 800 payments daily on the four monthly deadline dates (there are four staggered cycles per month, rather than just one cycle for all customers). Mrs. Kelly summarized by stating that the majority of utility payments are made at City Hall on four days every month.

Options have been investigated for making payments after hours. One option is an IVR (Interactive Voice Response) phone system but it only works for check and credit card payments and would not help the large number of customers who make cash payments. Another option is a payment kiosk which could be used 24 hours a day, seven days a week, and it could accept cash payments. Different models are available with prices ranging from \$20,000 to \$30,000. There are exterior units (similar to the style used by Asheboro, located behind their water department); interior units for placing in lobby areas; and exterior units which could be mounted for drive-up payments. Mrs. Kelly stated that a model that could meet our needs would cost approximately \$26,000 to \$27,000, including a feature to return change for cash payments. Maintenance costs are estimated between \$5,000 and \$7,500 annually. Construction costs would depend on where the unit is located (exterior vs. interior, on campus vs. another location).

Mrs. Kelly explained that a kiosk would allow customers to pay at any time and would also reduce wait time on heavy volume days. Customers have complained that since there is no IVR

system, the only way to pay bills after 5:00 p.m. is to use the drop box, which is not an alternative for about half of our customers who pay with cash.

Various locations for kiosks were discussed. Locating one on the City Hall campus near the Police Department would offer safety to customers and employees. If a kiosk were located off site, a police escort would be necessary for stocking the machine and retrieving payments. Mrs. Kelly reviewed maps (Exhibit B) showing service addresses for walk-in customers and for walk-in customers making payments on service cutoff deadline dates.

Mrs. Kelly informed Council that staff recommends locating a kiosk at City Hall. One vendor told her that their clients often purchase units for their own campus and if needed, purchase another unit later for a separate location. She also confirmed that units can be moved. Manager Hegwer noted that staff would continue research only if Council directs. Council Member Taylor suggested that staff explore options for placing a unit at the courthouse or post office, since both of these locations have security cameras.

Wayfinding Signage – (Exhibit C)

David Montgomery, Long-Range Transportation Planner, explained that Council previously allocated \$35,000 for signage in this fiscal year. With the investment in downtown Sanford and Jonesboro, there is a need for wayfinding or directional signs at the entrances to those areas. Ten signs could be manufactured and installed within this budget and they could be placed along major vehicular routes (where a turn is needed) to guide traffic toward primary and secondary destinations. Staff proposes stand-alone signs four to five feet wide and to allow the vendor to give direction on the height (minimum requirement is seven feet from the ground).

Examples were shown, with Mr. Montgomery noting they tend to be general in nature and become more specific nearer the destination. Staff has met with DOT twice for guidance on what is allowed (number of lines of text, locations, colors) and they have provided names of fabricators they have used. Staff has also met with SAGA and DSI representatives for input.

Mr. Montgomery showed proposed locations for ten signs. Seven would be in the downtown area: two on Horner Boulevard; one at the corner of Carbondon Road and Carthage Street; two at the intersection of Carthage and Wicker Street (for traffic from Highway 1 and from Carthage Street); two along Charlotte Avenue; and one at the corner of Hawkins and Charlotte. Proposed locations in the Jonesboro area are on Lee Avenue leading to Main Street and one on each side of Horner Boulevard near Main Street. He explained that no signs would be located on Tramway Road since it leads straight into Jonesboro. If the program is extended, signs could be added but for immediate impact, staff recommends placing them in these places where a turn is required. Other locations were discussed, including the industrial corridor of Jonesboro. Manager Hegwer stressed that this topic is only for discussion tonight, not to make a final decision on signs.

Mr. Hegwer noted that signage can be expanded later to include parking information and all signs will have a consistent look. Council Member Wyhof agreed that the signage program is one component of the overall branding for the city. Various components were discussed, including logo, colors, fonts and categories. Mr. Montgomery explained that specific businesses cannot be shown; only categories can be described. He showed examples of other communities' signs and noted that parking, hospital and library signs can be placed separately, underneath the sign.

Discussion of Existing Facilities/Properties – Depot Park, Federal Building and Brownfield Sites

Train Depot Building – (Exhibit D)

Long-Range Transportation Planner David Montgomery displayed a picture of the Train Depot in 1935. It has a Spanish tile roof, seven-panel doors, and awnings. He displayed a picture of the depot as it looks now on the outside and the layout of the inside. He gave some different scenarios of how the building could be used; however, they all have consequences if you go in a certain direction. Council needs to decide if they want to put a Spanish tile roof on it; install seven-panel doors; and tear down the ceiling and go back to the original height of the ceiling in the waiting area. These things need to be considered before moving forward with the building. Different scenarios include a visitors' center, which would need to be staffed and would require an office and a lobby area for hand-out materials. It could be used for a museum, rental facility, concession area for park events, base for short train excursions, Amtrak Passenger Station or a combination of purposes. Each of these scenarios would include renovations to the train depot, such as removing the chimney in the conference area, etc.

Mr. Montgomery stated that staff's recommendation would be to hire a design professional to start preparing some schematic designs based upon what Council envisions the train depot to be in the next five to twenty-five years. He spoke with Joni Martin and the gentleman they typically use would charge about \$3,000 to start pursuing some concepts and visual depictions of what the building would look like based upon criteria set by Council. He suggested getting some new cost estimates; we have an estimate from 2004 and it focused mostly on the conference area and exterior of the building. He suggested updating the cost estimates, based on Council's wishes, including some stabilization of the building, bringing the building up to code, function references and costs. Putting a Spanish tile roof on it would be costly.

Mayor Pro Tem Gaskins felt it should be a visitor's center. Ms. Wyhof suggested adding some space for some type of museum also.

Mayor Mann felt it would be perfect for a visitor's center. It could be overseen by the Sanford Area Growth Alliance. He stated that it would be better to create more open room.

Mr. Haire commented that Tom Bland markets the development located off of Cool Springs Road. Mr. Bland is fascinated by the story of how this city began. Mr. Haire stated that he has visited a lot of visitor centers and the one in Bedford, Virginia is very interesting as they focus around one event: sixteen Bedford boys were in one of the first boats that landed on D-Day. They had more D-Day casualties than any other city in the United States. They focus their museum around that one event. When you go in the museum, you just push a button and it tells the story.

Mr. Haire gave a brief history of how Sanford got started and stated that we could do the same. Mr. Taylor added that this would be a good project for Bill Freeman and his communication students at CCCC to capture the history of Sanford.

Staff will work with the City Manager and come up with some schematics. Mr. Hegwer stated that we will put some funds in the budget to move this forward and see what some possibilities are for the building.

Public Works Manager Tim Shaw explained that the employees have moved from the Federal Building to the Buggy Factory and asked Council to think about what they want to do with the Federal Building. Dr. Bud Marchant has toured the building and the college is not interested. There is some interest from an individual about purchasing the building, which was built in 1936. The roof is in good shape; we received monies through the ARRA program for the upgrade of the heating and lighting; it is in pretty good shape, but it is an old building. There are some problems with the plumbing; it has cast iron pipe in the walls and you cannot get to it, and there is limited parking. The City uses the basement to store Christmas decorations.

Mr. Hegwer stated that it could be used as an accelerator to promote businesses. He felt that it could be free or some small costs to an entrepreneur that might be interested in opening a business; however, that could take away from the existing vacancies Downtown. It would have to go through the upset bid process if it was sold. There is some stimulus funding involved and we will have to research selling it.

Mr. Gaskins said if we could sell it that would provide some funding for the renovations of the Depot Building. Mr. Shaw said the tax value of the 3,000 square foot building is \$533,000. Mayor Mann suggested getting an appraisal on the building.

Attorney Patterson advised that we purchased the building in 1996 for \$141,000 from the United States of America. There are restrictive covenants on the building and they address what kind of permission you have to get in order to do exterior renovations or demolition. The cornerstone has to go back to the federal government if demolished. Regarding the ARRA money used on the building, it would have to be paid back if we sell the building. We could ask for a waiver on the funds; however, we do not know if they will approve it.

Mr. Shaw advised that Lee County's fiber optics run through the building connecting them to other government offices. If we sell it, the fiber may have to be removed.

Mr. Taylor suggested using it for a visitor's center.

Mayor Mann, Council Members Haire and Gaskins suggested selling the Federal building.

Jaycee Hut

Mr. Shaw advised that Council may receive notice from the Jaycees to release them from their lease at the Jaycee Hut. It is a ten-year lease. They cannot afford to make the repairs needed to stay in the building. The tax value of the land and building is \$45,700. For the Jaycees to stay in it, they would have to create another egress to the outside. There is some deterioration in the floor and a couple of other issues. Council suggested Lee County Manager John Crumpton be approached to see if they are interested in the building.

Update on Brownfield Grants – (Exhibit E)

In July of 2014, the City was awarded a \$200,000 Brownfields Assessment Grant. This is the second time the City has received this grant (the first award was 2007-2009 to clean up the Whitin-Roberts property). Mr. Downey gave an update on what has been done so far with the second round of grant funding. Phase I, an Environmental Site Assessment, was completed on the King Roofing property on Charlotte Avenue prior to the City's recent acquisition and an

assessment is underway on the former Cornell-Dubilier site on Dalrymple Street which is owned by the City. The consultant goes out and interviews property owners and checks public records to do a cursory assessment of what may be occurring/or occurred in the past on the property. That would give them some indication whether more research needs to be done on site, which would involve Phase II - which typically begins with soil, boring and sampling. Phase I is just background information. An assessment was done on the King Roofing property before the City purchased it. The Cornell Dubilier property on Dalrymple Street was an EPA cleanup site and the City still owns a portion of the property. The City thought about what we can do to get activity on that property. One of the consultants recommended doing a Phase I to mitigate the risk for a potential property owner so we can take some of the doubt out of a potential owner's mind; this is being performed now. Mr. Downey showed the portion of the property that the City owns of the Cornell-Dubilier site.

The City received \$25,000 in grant funds and we are working with a consultant to develop a Jonesboro Redevelopment Plan, including the industrial area. We want to see if monies are available to do a marketing analysis to see what we can attract to bring into Jonesboro, since the implementation of the streetscape plan. The owners of the Kendale Shopping Center have approached staff to see if the City was planning to do anything in terms of planning efforts. The City's planning staff is partnering with the owners' consultants to maximize the efforts on both sides. The owners are planning to do a market analysis as well. Staff has walked around the property with the owners' consultants so they can visually see what is happening in the area.

Going forward, there is still over \$100,000 remaining in the grant for local people to tap into. Staff is working with SAGA to market the Brownfield program. This is an additional incentive for redevelopment of Brownfield sites throughout the City and the Brownfield agreement includes a five-year property tax incentive. Mr. Downey displayed how the Brownfield sites are listed on the website for marketing purposes.

Public Works Reorganization

Public Works Director Vic Czar gave a review of the Public Works reorganization. They took six divisions and made three out of them. Staff believes we can get efficiencies out of it; there was no increase in head count and there is some savings to the General Fund. Some employees were switched from the General Fund to the Utility Fund due to their jobs. Out of six superintendents, three administrative positions were created and two have been filled; we have one vacancy. The Water and Sewer Divisions were combined; the Building and Grounds Department and Refuse Department were combined and are now Facilities and Beautification. The Street and Fleet Divisions were combined and are now Transportation. The Transportation Administrator position is open until March 4.

Review of Bond Projects – (Exhibit F)

City Engineer Paul Weeks gave an update on the sidewalk projects, greenways and recreation. There are approximately 31 miles of existing sidewalk. We are adding to that system through the bond project. In referring to a map of sidewalks, the red line represents the sidewalk improvements that are currently underway, funded 100 percent by the bond money and the projects in blue are the DOT funded projects – one in front of the high school and one on Horner Boulevard. There is a third DOT funded project on Woodland and Courtland Avenue. He gave a summary of the various project locations and their schedule of completion dates.

Mr. Williams asked how much is left for completion of the streetscape project in Downtown Sanford. Mr. Weeks replied that Fred Smith, the contractor, is pretty much finished with everything he can do. He is building the trellises (they call them swing sets) on Moore Street; once he finishes the trellises, he will finish the brick work on Moore Street. He has done all he can do until Duke Energy installs their poles. The project is approximately 80 percent complete.

Mr. Weeks stated that Fred Smith is finished with the work in Jonesboro. The power lines are underground. The phone and charter lines are still on the poles.

Greenway/Recreation

Mr. Czar advised that the Greenway and Recreation bond referendums were approved. Staff is coming up against some decisions that need to be made which affect when we want to move forward with the date of the second bond issuance. There is \$4 million approved for greenways and staff has ideas of installing a greenway on Wicker Street from Carthage Street to the Kiwanis Park and then from Kiwanis Park, down through the Nautilus to Central Carolina Hospital; turn on Wicker Street and bring it to Downtown; then from the King Roofing building back towards City Hall. There would be greenway on Wicker Street from the Kiwanis Park, all the way to Horner Boulevard. Mr. Czar did not feel we have enough money to run all this greenway, but it is a good project to be done. We have money to get all the greenway designed, so if you cannot complete the project, it will be on future plans. The greenway will be asphalt or concrete. The one parallel to Wicker Street from Carthage to Horner may be a concrete path, rather than asphalt. Mr. Haire asked how you would see the difference between the greenway and the current sidewalk. Mr. Czar replied that the greenway will be wider and separated by some curb essentially.

In 2020, the DOT is going to start getting rights-of-way on Carthage Street in front of the hospital, from Firetower Road to Wicker Street; they are going to put in curb and gutter and sidewalk and a couple of roundabouts – one on Fields Drive and one at Carthage Street and Wicker Street. Mr. Czar stated there is very little chance for the City to install a greenway in front of the hospital without the DOT tearing it up when they come through in 2020. He did not think it would be practical to put in a greenway.

Mayor Mann stated that Vic Czar, Hal Hegwer, Marshall Downey and he went to see the Secretary of Transportation and asked him if we could do this together. We made a great presentation and got no response. Basically, the way the point system was structured, the DOT could not find a way to save the taxpayers' dollars and do it all at the same time. With that said, there is a possibility that we will not do that section of greenway until the DOT does their project. We pay about \$1 million per mile for greenway. If we wait and allow the DOT to do their work and sidewalk is part of their work, whether we have a match or not, it is going to cost a lot less than \$1 million. If we want to, at that time, and the DOT puts in a five-foot sidewalk, we could make it a ten-foot sidewalk and we pay a percentage of the five and we pay for the other five foot. It would be a good use of the money and it would look like the rest of the greenway. That segment would be from Fields Drive to Wicker Street. The roundabout at Wicker and Carthage would be done in 2022 and would be paid for by the DOT.

Mr. Czar stated that staff has asked Duke Energy and Windstream what it would cost to put underground power in front of the hospital from Fields Drive to Wicker Street and up Wicker

Street from Carthage Street to Horner Boulevard. Staff has heard comments about the possibility of underground power being a priority and it does have some aesthetic bearings. It will cost in the neighborhood of \$2.5 million. It is an opportunity because we are going to be tearing it up and digging holes. If you decide to put the utilities underground, it needs to be done at the same time the greenway construction is done. He wanted Council to think about the issue.

Stream Restoration

Mr. Czar stated that in conjunction with the greenway, is stream restoration. Looking off the bridge at Chisholm Street is Little Buffalo Creek. It is a typical urban stream and over time, it has been straightened; the channel had been made almost vertical. Mother nature did not put the creek in that straight; man went in and dug it out. The idea was when it rains, you get the water out as fast as you can. It served the purpose; however, the banks are falling in and the stream has some problems. It is not being used for what it was intended to do. Now, streams are being restored to the more natural environment. It lends itself to stream restoration. Staff has met with a consultant and talked about stream restoration, the potential of buying some properties in that area as part of the stream restoration. What you do is instead of making it straight and true, you make it meander more like it was intended to be. It is trying to go back to the way it was. You put in the meanders and little pools so that during normal flows, the velocities are low enough that you do not get the sediment. During flood stages, you give it enough room so that it still gets the water from uptown out of there but you do not have the destructive part of erosion. The downside is you need more room to do those things and have less buildable area. Staff has met with a consultant and we are looking at it from Charlotte Avenue to City Hall as a project, but you can go all the way past the golf course. We are trying to figure out the costs; who is responsible for what; and what grant funding may be available to help us with this project. We own the King Roofing building. Purchasing some real estate may be a better way to address the issue and make it meandering in several places. The first thing is they are going to have to look and see what different things cost and come up with whether or not they can do a project. We can start mitigation just downstream of the King Roofing building where the little bridge goes into the old Singer building.

Mr. Hegwer added that sometimes there are grants for acquisition and the Clean Water Management Trust Fund is now being funded where it has not been funded for years. He felt there may be some opportunities to acquire some properties with grant funding to help with mitigation.

Mr. Czar stated that we do not need to build the greenway along the creek and come back in three years and make the creek meander which would require reconstruction of the greenway. We need to look at the project upfront and figure out what we are going to do and see if there are some opportunities to make it more of a project than we planned. It is going to take some time to do. We are looking at any opportunity to get more with our money and make the most out of it.

Recreation Bonds – (Exhibit G)

Regarding the sports complex, Mr. Czar stated he is not sure of the scope of the project. There is some on-going conversation about the sports complex with Brailsford and Dunlavy to give some idea on the construction costs, etc. As it was proposed originally, it was more of a destination type park to be constructed (maybe two) with some improvements to some existing facilities. Both are still viable options but the process of either one is going to take some time. How much public input on the process needs to be decided. We do not have a master plan for City park facilities; greenways are essentially park facilities. There is some grant funding for parks

(PARTF) but they want you to be in the park business. You will have to survey your population and figure out how many square feet of each component you need. The point is we do not know exactly how long it will take to figure out which direction we want to go in. He did not think we should issue bond debt because once you issue the bond debt, you have three years to spend the money. It will take time to solve the issues. Spending the money in a three year time frame is pushing it.

Mr. Taylor stated that he is glad we did not build a skate park because the interest has subsided. His problem is everybody around us is doing something, such as Holly Springs, Fayetteville, Spring Lake, and Moore County. Mr. Taylor said the feedback we received could change in three years.

Mr. Hegwer felt we should slow this down with the bonds; consider how the greenways can tie in and leverage some grant opportunities such as PARTF funding. We do not think we are ready to move forward.

Mr. Taylor suggested making a bike plan. He said it is amazing to see what Raleigh has done to alter the streets to include a bike lane. He suggested a bike element course behind the Riverbirch Shopping Center that nobody else has in the state. You create something like that with some sponsorship on the front end and it pays for itself; it is a self-sustaining course. It would cost between \$30,000 and \$60,000 but you have something no one else at that point; nobody in Holly Springs or Cary has one. Bicycling is as hot as it has ever been right now. Bike sales are as high as they have ever been. You can replace the cedar planks on this course every twelve to fifteen years.

Mr. Czar said that at one point, a date of 2018 was selected for the next bond issuance; however, he is not sure that is the wisest date given where we are right now on other projects. Financial Services Director Beth Kelly said that originally the date set was February 17, 2017 when staff went to the rating agencies, but then after last year's work session, we talked about it and it was decided to push it back a year. She presented a diagram of what the estimated annual debt service payment would be for the issuance of \$6 million (\$4 million for greenway and \$2 million for parks and recreation). The difference in the total debt payment in 2019 versus what we budgeted in this year's budget is \$702,000; so we would need \$702,000 more in our operating budget to pay for the debt service if we kept with that 2018 issuance.

Mr. Hegwer said that we have to leave room within our budget, as years to come, to accommodate that debt service payment. He said we need to be cognizant of recurring expenses.

Mr. Gaskins said the key is until we know what we are going to do with the park funds, we do not want to issue the bonds to take care of the greenway.

Mrs. Kelly stated that if we put \$2 million in a sports complex, we have to own part of it.

Mayor Mann advised that staff has done a good job of preparing Council for the future. He said if SAGA brings 1,000 jobs to Sanford, it would change a lot of things.

Other Business

Mayor Mann stated that Council will not meet on February 16 due to the Chamber banquet. The next Council meeting will be March 1. Mr. Hegwer added that we have one more item to be discussed and we need a wrap up session.

Council Member Taylor said that there have been some break-ins on Chatham Street at Marshall Pope Electric and suggested that we should address some issues with lighting on Chatham Street.

Mayor Mann mentioned the Citizens Academy starts Tuesday, February 16, 9 A.M. until 12 noon. He invited Council Members to attend.

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

ADJOURNMENT

Council Member Wyhof made the motion to adjourn the meeting; seconded by Mayor Pro Tem Gaskins, the motion carried unanimously.

Respectfully Submitted,



T. CHET MANN, MAYOR

ATTEST:



BONNIE DAVIS, CITY CLERK