

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, April 19, 2016, at 7:00 p.m., in Council Chambers. The following people were present:

Mayor T. Chet Mann
Council Member Byron Buckels
Council Member Charles Taylor
Council Member James Williams
City Attorney Susan Patterson

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

Absent:
Council Member Rebecca Wyhof

Mayor Mann called the meeting to order. Council Member Buckels delivered the invocation. The Pledge of Allegiance was recited.

PUBLIC COMMENT – (Exhibit A)

Richard Hayes (of 2004 Vantage Point, Sanford) thanked Council for purchasing the Depot building and urged them to support the request from the Sanford Area Growth Alliance (“SAGA”) for short-term funding to develop a visitor’s center there. He also acknowledged Council’s interest in Horner Park and encouraged them to continue its preservation.

Joann Thaxton (of 309 North Steele Street, Sanford) also urged Council to support plans for a visitor’s center.

APPROVAL OF AGENDA

Council Member Williams made a motion to approve the agenda. Seconded by Mayor Pro Tem Gaskins, the motion carried unanimously.

CONSENT AGENDA

There was no consent agenda.

SPECIAL AGENDA

Presentation of Proclamation Proclaiming April 18, 2016, as Lineman Appreciation Day – (Exhibit B)

Mayor Mann read the proclamation and noted that he had presented it to a Duke Energy representative at their luncheon and awards ceremony held on April 18, 2016.

Presentation of Citizens Academy Graduates

Mayor Mann presented certificates to the following graduates and thanked them for their participation: Michelle Bunnell, Kathy Carroll, Yenly Clancy, Gabby Murrillo, Denise

Roethlisberger, and Greg Stoch (Jeff Griffith and Lisa Whalen had scheduling conflicts and were unable to attend).

CASES FOR PUBLIC HEARINGS

Public Hearing – Contract for Tourism Visitor Services

Joy Thrash, CEO of the Sanford Area Growth Alliance, urged Council to support the request for a Visitors' Service Center by approving the contract and funding \$25,000 per year for the next two years.

Mayor Mann opened the public hearing.

Council Member Taylor requested confirmation of the time period covered by the \$50,000 funding request. Attorney Patterson explained that the contract is effective from April 1, 2016, through March 30, 2018, carrying it through two budget years.

Mayor Mann closed the public hearing.

- **Consider Adoption of Contract for Tourism Visitor Services – (Exhibit C)**
Council Member Post made a motion to adopt the Contract for Tourism Visitor Services. Seconded by Mayor Pro Tem Gaskins, the motion carried by a vote of five to one; Council Member Taylor cast the dissenting vote.
- **Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2015-2016 – (Exhibit D)**
Financial Services Director Beth Kelly explained that this ordinance appropriates \$25,000 to SAGA for Tourism Visitor Services. Because the contract has been approved, the second installment of \$25,000 will be included in budget for Fiscal Year 2016-2017.

Council Member Post made a motion to adopt the Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2015-2016 for Tourism Visitor Services. Seconded by Mayor Pro Tem Gaskins, the motion carried by a vote of five to one; Council Member Taylor cast the dissenting vote.

DECISIONS ON PUBLIC HEARINGS

There were no decisions on public hearings.

REGULAR AGENDA

Consider Ordinance Establishing a No-Parking Zone Along a Portion of Central Drive of the City of Sanford – (Exhibit E)

Public Works Director Victor Czar explained that this request came from the Director of Emergency Management Services after a situation in which parked cars prevented expedient departure from the facility. Property owners have been contacted and agree with the request.

Council Member Taylor made a motion to adopt the Ordinance Establishing a No-Parking Zone Along a Portion of Central Drive. Seconded by Council Member Buckels, the motion carried by a vote of five to one; Council Member Williams cast the dissenting vote.

Consider Health Insurance Renewal for Plan Year 2016-2017 – (Exhibit F)

Human Resources Director Chris Pickens explained that the health insurance plan year runs with the fiscal year, beginning July 1 and ending June 30. In order to provide employees ample time to consider benefit election changes, and for Human Resources staff to make appropriate revisions, approval is sought to increase rates for Fiscal Year 2016-2017 in anticipation of the May open enrollment period.

Mrs. Pickens explained that the City's insurance broker initially recommended an 8.7 percent increase. Management requested additional evaluation and recommends no changes to the plan other than increasing the stop-loss cap (the threshold at which the city stops paying claims and BCBS begins paying) from \$100,000 to \$135,000, which would result in a premium increase of five percent. Manager Hegwer noted that while the city will be assuming some additional risk by increasing the stop-loss cap, he thinks it will not be adverse based on statistics and how the plan has operated. Since the city plan is self-funded and employee coverage is funded by the city, only employees with dependent coverage will be affected by this premium increase.

Council Member Williams questioned whether quotes had been requested from other carriers and whether coverage under the state employees' plan had been considered. Manager Hegwer stated that he did not recommend moving away from BCBS due to concerns with providers and the potential for employee discontent. Mrs. Pickens confirmed that the broker had researched other options but since the city is self-funded, some companies (such as United or Cigna) may not offer the same substantial discounts offered by BCBS; those companies may also have higher out-of-pocket limits. Mayor Pro Tem Gaskins noted that he purchases coverage for his wife through the city plan, rather than the state plan (which, as a state employee, is an option for him).

Council Member Taylor questioned why this information was being presented at this time and what could be done to lower costs, specifically on prescriptions drugs. Mrs. Pickens explained that plan changes must be presented to employees and changes must be made in May, then processed by HR staff and vendors before July 1, the effective date for the new plan year. Manager Hegwer stated there was very little room for improvement on utilizing generic drugs since specialty drugs for very serious health issues are the largest driver of health care costs (rather than for claims or for typical prescription drugs).

Mayor Pro Tem Gaskins made a motion to approve the Health Insurance Renewal for Plan Year 2016-2017. Seconded by Council Member Haire, the motion passed unanimously.

Consider Ordinance to Amend Sanford City Code Chapter 10 – Businesses, Article VII – Peddlers – (Exhibit G)

City Attorney Susan Patterson explained that the proposed ordinance would repeal and replace the current ordinances on peddling. Although there are only a few changes, it was simpler to rewrite all sections. The city was approached by an attorney for an alarm company who wanted to sell goods and merchandise in the city by going door-to-door, which has not been allowed in the city unless the merchant had been invited by the property owner. Since the attorney has threatened the city with litigation and because laws on commercial speech have

changed over the years, our ordinances have been reviewed in an attempt to determine the best way to comply with these changes.

Attorney Patterson summarized the proposed ordinance as follows:

- An Itinerant Merchant's license will still be required, but the license will have an expiration date of June 30 (rather than for "one year" with no ending date);
- Residents of the city can post "No Soliciting" signs and if a peddler knocks on the door, they are in violation of the ordinance;
- If a Homeowners Association (HOA) has authority to act on behalf of residents who take action to say they do not want solicitation in their neighborhood, a "No Soliciting" sign can be posted at the neighborhood entrance;
- In a neighborhood where the HOA has no authority to act on behalf of residents, each resident must post a "No Soliciting" sign if they do not want to be solicited;
- Selling goods and merchandise on city properties is still not allowed;
- Permission from the property owner is still required to sell on private property;
- If a peddler is asked to leave a resident's property and does not do so, they are guilty of trespassing;
- Peddlers who do not abide by regulations more than twice in a twelve month period are in violation and subject to permit revocation and a civil penalty of \$50.

Attorney Patterson reiterated that the changes are an attempt to update and modernize the city's ordinance and are in response to the threat of litigation. She confirmed that vendors who leave "flyers" advertising their services but do not knock on residents' doors are not subject to these provisions, but they are still responsible for obtaining an itinerant merchant license. She also confirmed that the civil penalty is not limited to \$50: penalties for city ordinance violations can be as high as \$500 but unless approved by Council, the standard fine for violation of a city ordinance is \$50.

Mayor Mann questioned how the public would be informed of this significant change, perhaps through notices with water billing statements and through the press. Attorney Patterson confirmed that she has been working with Public Information Officer Kelly Miller on this issue. She noted that city citizens have been protected from this activity for quite some time and they need to know what steps should be taken to protect themselves if they want to prevent future solicitation from peddlers.

Council Member Williams made a motion to approve the Ordinance to Amend Sanford City Code Chapter 10- Businesses, Article VII- Peddlers. Seconded by Council Member Taylor, the motion passed unanimously.

New Business

Consider Update from Kate Rumely Regarding Brick Capital – (Exhibit H)

Kate Rumely, Executive Director of Brick Capital Community Development Corporation, summarized the progress of affordable housing services provided to the City during the first quarter of 2016 and gave a report on income and expenditures.

Council Member Taylor questioned Ms. Rumely about current staffing and salaries. Ms. Rumely confirmed that she was now receiving full pay and one other staff member is working part-time and receiving half-pay. Mr. Taylor asked how the \$50,000 from the City had been spent and what had been accomplished. Ms. Rumely explained that more than \$21,000 was spent on property taxes and there were also expenses for communications, professional services of a new auditor, community projects, and for payroll and related expenses. Mr. Taylor questioned whether Brick Capital was exhausting all possibilities to sell properties. Ms. Rumely responded that four units are for sale: one is currently listed with the Multiple Listing Service and another is under contract (the buyer is working to improve his credit score). Three of these properties are occupied and the occupants have been approached about purchasing them. These properties are not currently listed with MLS but one will be added immediately and another is the subject of negotiations; they all may be added to the MLS soon. Ms. Rumely noted that Brick Capital does not want to continue managing supportive housing but it is difficult to find a management company to accept such a low number of specialty units (18). In response to Mr. Taylor's question of what she would accomplish before June 30, Ms. Rumely stated that she would conduct three housing counselling courses and have several prospective buyers lined up to purchase new homes with down payment assistance.

Council Member Haire asked about progress on the East Sanford Strategic Redevelopment Plan. Ms. Rumely suggested that East Sanford residents have input on the plan. Mayor Mann added there must also be collaboration with private developers and investors.

Council Member Buckels acknowledged that while Sanford is "well centered" on economic development and growth, there is also a need to be well balanced on housing and living conditions.

Consider Discussion Regarding Potential Zoning Amendment to Reduce Membership of Historic Preservation Commission from Seven to Five Members – (Exhibit I)

Community Development Director Marshall Downey explained that it has been difficult to fill seven HPC board seats, given the relatively small geographic area of the two historic districts (Rosemount-McIver and Downtown). Since two board members are resigning and the new fiscal year is approaching, staff suggests that now may be the ideal time to consider this change. Mr. Downey noted that while this request is subject to formal public review and approval by the Joint Planning Commission, it is really a city only issue (since there are no historic districts in the county or in Broadway). He confirmed that if this revision is approved by the JPC, it will appear before Council again soon for public hearing and Council approval.

Consider Update Regarding the Jonesboro Redevelopment Plan – (Exhibit J)

Community Development Director Marshall Downey reminded Council that the city received \$200,000 in Brownfield remediation funding in 2014 and is now eligible for a redevelopment study and marketing plan to determine which economic conditions and drivers may have the greatest positive impacts on restoring Downtown Jonesboro. This will involve communications with business and property owners, who may contact Council members. Mr. Downey also noted that staff is working with owners of the Kendale Shopping Center, who have volunteered to partner with our consultant on a study which will guide them as well as the city, and have agreed to contribute to the consultant's fee for these services.

Other Business

Council Member Taylor thanked Council and staff for visiting the Jonesboro area recently to explore opportunities for enhanced customer service. He also stated that he is looking forward to future work sessions on parking issues.

Manager Hegwer informed Council that the city has received a \$100,000 grant under the 2016 Urgent Repair Program.

Mayor Mann thanked everyone who participated in this year's Block Party on Woodland Avenue.

CLOSED SESSION

Attorney Patterson stated that a motion was needed to go into closed session in accordance with North Carolina General Statute 143-318.11(a)(3), (4) and (5) to discuss matters relating to the expansion of industries or other businesses in the area served by the public staff; to instruct the public body staff regarding the position to be taken in negotiating the price or other material terms for the acquisition of real property; and to consult with an attorney employed to preserve the attorney/client privilege.

The motion to go into closed session was made by Council Member Buckels. Seconded by Mayor Pro Tem Gaskins the motion passed unanimously.

RETURN TO REGULAR SESSION AND ADJOURNMENT

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

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

Respectfully Submitted,



T. CHET MANN, MAYOR

ATTEST:



BONNIE DAVIS, CITY CLERK