

**MINUTES OF RETREAT OF THE  
CITY COUNCIL OF THE CITY OF SANFORD  
SANFORD, NORTH CAROLINA**

The City Council met at the Little River Golf and Resort, located in Carthage, North Carolina, to hold its annual retreat on Thursday, February 20, 2020, at 9 A.M. The following people were present:

Mayor Chet Mann

Mayor Pro Tem Byron Buckels

Council Member Sam Gaskins

Council Member Rebecca Wyhof Salmon

Deputy City Clerk Vicki Cannady

City Attorney Susan Patterson

City Manager Hal Hegwer

Council Member James Williams

Council Member Jimmy Haire

Council Member Norman Charles Post, III

City Clerk Bonnie Davis

Financial Services Director Beth Kelly

Public Works Director Vic Czar

Community Development Director Marshall Downey

Management Analyst Holly Marosites

Fire Chief Wayne Barber

Deputy Fire Chief Ken Cotten

Absent:

Council Member Charles Taylor

**CALL TO ORDER**

Mayor Mann called the meeting to order and welcomed everyone to the retreat. He noted that there is more momentum going on in Sanford than ever. Mayor Mann asked Council to write down any questions they may have for later discussion.

**Financial Overview- (Exhibit A)**

Financial Services Director Beth Kelly presented a financial overview (Exhibit A) of the City's finances. She presented a powerpoint on the history of the tax rates since Fiscal Year 1994-95. She noted that 50 percent of the General Fund revenues are from the ad valorem taxes. In 2019, we had \$16,253,181 in ad valorem taxes. We have not received the vehicle tax from the County yet for this year. She added about \$500,000 to our revenue, over budgeted numbers ending June 30, 2020, as the growth in revenue is from re-vals. Regarding Sales Tax Revenue, she budgeted to pick up \$180,000 plus from 2019-20 and we have picked up \$100,000 plus. We lost in the current year due to the electric franchise utility tax; this is weather-related due to it not being cold. The County collected five Articles (taxes) and the City collects four articles; the state receives the funds and distributes the funds based on the ad valorem method. Mr. Hegwer stated that before the announcement of Pfizer's expansion, we estimated an increase of approximately \$300,000. It is important that a development in the future needs to be in the City limits. Mrs. Kelly is projecting 9 percent increase in sales tax revenue and she budgeted 5 percent.

Mayor Mann stated that he is meeting two developers next week and they are asking what can they bring in. Mr. Gaskins added there is discussion about changing the revenue distribution to all per capita. Mayor Mann noted that this is a good item of discussion tonight with our delegates. Mrs. Kelly said sales tax is based on where items are delivered. The majority of sales tax is being generated and collected within the City. Mr. Hegwer stated it is 80 percent versus 20 percent in the County. An auditor came in last year and checked some of their payables trying to see if the vendors are paying in sales tax

and that is the first time in fifteen years this has occurred. We had some increase in State Shared Revenue and some in Powell Bill Fund based on mileage.

Mrs. Kelly reviewed the details of the Fund Balance. Starting on June 30, 2019 we had a fund balance of \$13,607,884 and the adjusted Fund Balance after commitments and expenditures is \$9,630,225. Our target is 30 percent.

Regarding General Fund expenditures, about 50 percent is Public Safety. Of public safety, 80 percent is for personnel. The annual debt service is based on the bonds issued now; it does not include the greenway bonds.

Mrs. Kelly went over the financial challenges. Auditors compare prior year actual versus current year actuals. Fiscal Year 20-21 snapshot, at this point is the Revenues based on the FY 19-20 budget minus expenditures will result in a \$524,237 shortage. She added \$500,000 to the property tax in the revenues resulting in estimated revenues of \$32,736,498, minus 2 percent cost-of-living, capital needs, and health insurance estimate of an 8 percent increase which results in a shortage of \$524,237. This is early in the year and this is what she sees for FY 20-21. Other issues could arise between now and the budget. The vehicle tax fee is included in the total revenues. Mr. Hegwer stated that the shortfall would have to come from the Fund Balance. Mr. Hegwer added that the only way to correct the shortage is through property taxes. Mrs. Kelly is concerned about the sales tax and she budgeted very conservatively. Based on our policy, the Fund balance is 30 percent and the minimum is 25 percent. We do not want the Fund Balance to fall low.

Mrs. Kelly stated that we paid cash for the fire pumper which saved us about \$180,000. We cannot pay cash for the ladder truck.

She displayed the capital improvements schedule, which is what the department heads submitted to her and what staff recommends based on needs. The small operating items will be paid from cash; however, the big ticketed items are not. The sidepath can be removed. Mayor Mann added that this is a planning budget and will help Council to see our needs. Mrs. Kelly noted that the needs are based on estimates. The Fire Department needs does not include trucks. Mr. Czar added that parks have not been addressed in the Capital Improvements Projects.

Mr. Post asked if we are that bad in the Fire Department. Chief Barber replied yes.

Mrs. Kelly stated that she added some growth in the property tax for the forecast of June 30, 2021, in the General Fund Forecast, which is estimated to result in \$222,273. She is going to have to issue debt in FY 20-21.

We have to asked for a three-year extension on the greenway bonds in the amount of \$4 million. Our bond attorney firm, Parker Poe, is getting the information together and we have to hold a public hearing on the extension, which may be held in April. This would give us time to submit it to the Local Government Commission by December 2020. You have three years to have the project complete in three years. She estimates \$400,000 each year for the greenway bonds depending on the rate issued. You have until December 2023. Debt issuance on parks is \$200,000 each year. Mayor Mann stated that we need to make a decision on the greenway bonds this week. Mr. Hegwer noted we need to know when we will do the greenways. It would take another year before we can do the greenway project.

Mr. Hegwer stated that we need to make sure any business coming to town that requests sewer, we need to annex them.

**Fire Protection** – (Exhibit B)

City Manager Hegwer pointed on the map where the City's fire stations are located. He displayed the locations of where Deep River Forest, Galvin's Ridge Subdivision and Bharat Forge are located. The red lines show where the five-mile limit is from each fire station. The annexed areas are five-miles beyond our limits. We have legislative authority to annex outside three miles. As the area grows, we need to consider our future. Northview Fire Station does not have the personnel to provide fire protection to those outside areas and the area is going to grow. There is a lot of expense in building and manning a new fire station. We have a plan to provide coverage to the areas.

Fire Chief Wayne Barber added that when you start putting in roads, it will change. Currently, we have a contract to send a truck and part-time paid people Monday through Friday; other times are volunteer. To keep our class three rating, we need to have coverage equal in the annexed areas. As long as the property is vacant, there is no problem, but when we put people and structures in it, we have a problem. To address this issue, staff would like to apply for a Safer Grant, which is staffing for adequate fire and emergency response. The Safer Grant is not open yet; however, it will be available around mid-March or April. Awards will come in November or December. Staff has contacted a grant writer who has been successful in North Carolina, which is Vickers Consulting Services, Inc. He just wrote a grant for Spring Lake Fire Department, which received a staff of fifteen. Safer Grant pays 75 percent of entry level salaries and benefits for the first two years and 35 percent for the third year. We would like to apply for nine people, three on engine for three shifts.

Chief Barber stated that we are in negotiations with Northview Fire Department to do this as opposed to the existing agreement. This would allow them to answer calls within their district also. With the grant, the first year would cost \$361,378. The cost for Year 2 would be \$276,994 and equipment cost is reduced; without the grant, it would cost \$658,437. For Year 3, it drops back to 35 percent and the nine people had a five percent pay increase, provided they pass the testing. Equipment would be uniforms, etc. It takes two turnout gear sets. We have a five-year replacement with turn out gear even though it is a ten-year replacement. The five-year replacement keeps us up on cycle to be consistent with everyone. The total cost of three-year package is \$2,080,629. With the grant, it is \$1,139,736. Deputy Chief Cotten Ken Cotten said it will buy us time and opportunity to provide the same level of protection and time to protect the property in the five-mile district. It gives us time to allow Colon Road, Central Carolina Enterprise Park, and others to develop.

Mr. Hegwer added that the Northview District would remain the same as it is now for a year and they could get a lower ISO rating. Our call volume is gradually increasing with more homes, wrecks, structure fires, etc. Structure fires is one of the lesser calls but you always need to be ready for structure fires. Mr. Hegwer stated that we are able to operate and work with some of the rural fire departments and provide the coverage to the areas that grow. This would be a less expensive way without station cost. If we get a grant, we will not hire anyone until next year or a year after. Council Member Post asked if the equipment is up to par. Barber we will use one of our trucks and one of our people. Our air packs and masks are all the same. Chief Barber spoke with the man from OSFM, who does the rating, and he said it would be an excellent way to handle the problem and it would benefit the City and Rural Departments because everything is in place. There are some legal issues but they are willing to work with us. They basically would be housing an engine company for the City. Safer Grant is federal funding. Mr. Hegwer added that it is changing the dynamics in the way we grow.

Deputy Cotten met with the Deep River Fire Department and told him they would eventually be a part of the equation as the City grows. Right now, we need the Northview Fire Department and eventually will need the Deep River Fire Department as the City grows in that area. The City of Sanford will have to do something to provide protection and we have time until the build out is complete. When Galvin's Ridge is two-thirds built out, the City will have to do something. Mr. Cotten is in conversations with the Galvin's Ridge developer to see if they will donate land to build a fire station; this would cover the Deep River area also. Mr. Hegwer said the developer has identified a site and there is fifteen acres; it will only take four acres to build the station. The developer has basically agreed to providing a site. Mr. Cotten noted that we will have an overlap of fire departments for coverage of all the City. We are paying Northview money to cover their district and the annexed areas. Mrs. Kelly stated that we are paying Northview about \$19,000 annually. Mr. Cotten noted that we will not be pulling all three engines to a call unless it is a catastrophic event. It builds redundancy which we do not have. This will provide coverage for all the City. Mr. Downey added that by doing this, it helps to be consistent in our message that we are going to direct you in these areas with our developers. Mr. Cotten displayed a presentation on the cost of a new station. Mr. Hegwer stated that we would have a defrayed cost of about \$4 million. The people who live in this district will benefit with a lower ISO rating on their insurance. We are growing in areas outside the existing City limits. As we time this, the faster the area grows, the growth will help us pay for the services. As the area grows, we still need to maintain the relationship with Northview Fire Department. Mr. Barber added that the Safer Grant is not guaranteed. As Colon Road and the Cumnock area grows, we need the Northview Fire Station to cover the area. When industry comes in, they look for the fire and police protection. Northview cannot cover the last build out of Galvin's Ridge project, which will be outside the five-mile coverage. Mr. Cotten added that they have run 130 calls for wrecks and three structure fires this year so far.

### **Water Treatment Plant – (Exhibit C)**

Public Works Director Vic Czar presented an update on the capital infrastructure and impacts on revenues. He said water capital improvements are something you need to do all the time. All our projections for the water treatment plant need to be on plan by 2025. We currently have a 12 MGD plant and with all the anticipated industries and growth in the City, we need to expand the plant. We have some significant sewer projects such as replacement of several lift stations which will cost over the next five years for these capital improvements.

Mr. Czar explained that we have several municipalities that want to partner with the City for water such as Fuquay Varina. The long term for Fuquay is a water plant and the best place for it to be is across from us. The ultraviolet disinfectant (UV) and oxidation removal were geared more toward dioxane removal; it is not very efficient and would not recommend doing it with this plant. Phase I with Granular Activated Carbon (GAC) is what we need to do. Fuquay is requesting 6.5 MPD. We need 6 MPD. We have a 12 MGD and add 6 to it, would be 18 MGD and it would work. If we build it ourselves, it would cost \$115,763,800; with Fuquay partnering it would cost us approximately \$63,881,800. Staff is checking to see if Pittsboro and Chatham County would be interested in partnering also. Chatham County can only deliver \$1 MGD to Moncure Megasite and staff is in conversation with Moncure. Fuquay has said they are with us because they have a problem.

Mrs. Kelly reviewed a financial plan to pay for the expansion with a partner and without a partner (see Exhibit C). Phase I, with expansion of 6 MGD without a partner, the utility rate increase will be 15 percent and 5 percent for water. The cost for construction is high compared to years ago. The capital cost includes everything on the five-year capital improvements. The rate increases are not

absolute; it could vary. There is a little bit of growth in water consumption built into the model; maybe 1 percent and this is fairly low. The more we sell, the more revenue comes in. You can distribute the rate increases on operating, capital, and water treatment plant. Council Member Salmon commented there is only a \$3 increase per City residential customer with just the City incurring the cost. Mr. Czar added that with a business/company, it will increase.

Mrs. Kelly explained the monthly water/sewer bill comparison with other cities for 5,000 gallons and the City's is on the lower end in comparison. Mr. Czar stated that staff will be asking for \$6 million for the design of the water treatment plant in next year's budget. Mr. Czar said the interest rate is conservative and we are looking at other methods of funding.

Mr. Czar stated that there is a 7Q10; it is the lowest flow for seven consecutive days. There have been some moves to get away from that standard to a modeling standard to ensure all wildlife rules are met. Mayor Mann said that water is the new goal; we do not need to backup. He said that the Department of Transportation has said that 50 percent of the growth in the next few years will occur in Georgia, Texas and North Carolina and water will be scarce. We need to be prepared and you will grow with water and sewer. Chatham Park came and spoke with Council and if you look at the map Sanford, south of Sanford, Pittsboro, and Raleigh they are coming. If you don't do something to be a part of it, you will be run over. Mr. Czar said you do not need any more WTP operators for 1,000 gallons more; however, you will pay for chemicals, electricity and getting rid of sludge. We need to work on an interlocal agreement with Fuquay because 2025 will be here soon. The best-case scenario is if we had money budgeted July 1, 2020, it would be January 2021 to select an engineer; 6 months to bid it and go through the process and take 24 to 36 months to build it; it will take four to five years to expand the plant. Mrs. Kelly noted that we cannot talk about issuing debt without bids. Mayor Mann confirmed that we need to increase rates now to help cover the debt. Mr. Hegwer added that an increase will be in next year's budget. The comparison chart does not show the potential increase. Mrs. Kelly stated that in a meeting with other municipalities, they were shocked when she said we had a 3 percent increase when their rate increased by 9 percent. People do not pay the real cost of water. It used to be that your top ten users would use 25 to 30 percent of the water and sewer and when a plant left, it changed majorly. But if you have a wholesale user, that is important. Mrs. Kelly is trying to find other ways to fund revenues; we get charged a fee for credit card payments, etc., and we can pass this on to the customer

Mr. Czar explained the objective of system development fees and that there are different methods to come up with what the fees can be. There are different ways to calculate the fees and the reality is, if it is something you are willing to consider, then how much do you want the fee to be, particularly after the expansion. If you buy a house, the regular connection fee would be \$1,069 and wastewater fee of \$1,785. These fees exist in a lot of places; the School of Government says 80 percent participate in that. If you had an alternate funding source to put towards the capital improvement fund, you would not have to go up on the rates as much in the future. Mr. Gaskins noted that with 1,000 homes in Galvin's Ridge at \$3,000 (impact fee) per home, that would be \$3 million increase to go toward capital improvements. Mr. Czar stated that every day we wait, you are not collecting money. Mr. Hegwer said with new development, developers are shocked that we do not charge the impact fee. It makes sense to charge the developers the impact fee on the homes in lieu of passing the burden on to us. Mr. Czar showed a list of regional utility comparison for impact fees. There was a time when this would have impacted some local developers; however, with major developers, they expect this cost. If Council decides to use the impact fee in July, we could implement it in six months, etc. They pay it when they put the water meter in. Mrs. Kelly said we would have to have a public hearing before this is implemented and other steps that are required to be taken to initiate this plan. Sanford's fee is calculated on meter size.

Mr. Czar added that the problem is when an individual wants to build a home on a lot they own, they will not understand. Mr. Czar said he hears that Council is good with taking regulatory steps to initiate the impact/capacity fees. Mayor Mann replied to put this in the budget. The impact fee would apply to everyone.

Council recessed for lunch from 12:45 P.M. to 1:30 P.M.

### **East Sanford – (Exhibit D)**

Community Development Director Marshall Downey gave an update on the strategies for East Sanford with Downtown Streetscape and with all the jobs coming to Sanford. Development Finance Initiative (DFI), of the UNC School of Government, did an analysis of East Sanford a couple of years ago. One of the key findings was there is a demand of people who want to live in East Sanford and the population is growing three times the rate of the City. DFI presented two strategies for East Sanford and the first one was a feasibility analysis. The goal is to get a private developer to turn these properties around. The City owns properties along First Street and staff is talking with them now. We have an environmental consultant working in the area to advise of the potential environmental challenges; examining topography, etc. The next step is that Phase I will be complete this summer and once results are evaluated and are favorable, DFI will assist the City with a specific redevelopment plan and with development solicitations. DFI has a 90 percent success rate with solicitations for example Kannapolis, North Carolina. The challenge is attracting a private developer and if there are any environmental problems. Mayor Mann noted that this is what was done for the Kendale Shopping Center area; a feasibility study was performed for Kendale with Brownsfield money.

Strategy 2 is the Urban Redevelopment Area (URA) and we have not started this phase yet. DFI thought it was a good tool. It is a process which allows the City to use some unique tools. He said this is more complex; we are looking at multiple property owners and parcels. The City can acquire properties through this power and allow the Redevelopment Commission to clear areas by demolition or building removal – remove blight parcels. We are looking at the Charlotte Avenue corridor. DFI says you need to acquire 20 percent of the most distressed properties and put restrictive covenants on them. There are approximately 80 parcels in that targeted area. This would be the catalyst to get a private developer to participate. We are working with the DOT on the Charlotte Avenue “Road Diet.” The County is in the process of working on renovating the Temple Ball Field to make it a passive park for now. Mayor Mann has seen a potential layout of the park with basketball goals, etc.

Mr. Downey received a proposal from DFI yesterday and would have two phases as listed in the Exhibit D. Phase II would create the plan where Council would purchase 20 percent of the most distressed properties. Phase I is roughly \$22,000 and Phase II will cost approximately \$48,000. It does not include upfitting the homes or demolition. You may not want to do 20 percent; you could choose what you would like to do. Mr. Hegwer noted, going into budget, we would pursue Phase I and keep moving forward. If the County moves forward with the park, any improvements would help. Mayor Mann said that if the City owns any properties in the URA area, then maybe it would be better to purchase properties next to them. It was the consensus of Council to move forward with Phase I in the budget. Attorney Patterson advised that the infrastructure will be less since there is water and sewer and sidewalk there already. Years ago, the City Council was the Redevelopment Commission; however, you can form a commission from citizens. She thought Robert Gilleland was a part of the previous commission.

Mr. Downey updated Council that the vision with Downtown and strategies with East Sanford are positioning us for the S-Line Rail project. We have a past history of rail passenger service as well as, a vision to create new rail access. Sanford is positioned well to partner with NCDOT on the S-Line rail opportunity.

**NCDOT Presentation – (Exhibit E & F)**

Lisa Mathis, the first North Carolina Department of Transportation (DOT) appointee from Lee County in 50 years, and Brandon Jones, with NCDOT, presented a presentation where the S-Line Rail will run. Sanford is the largest city in their division. She stated that the Transportation Summit had leaders from around the world and how we need to get in front of disruptive technology; it is how quickly things change such as automation when we have driverless cars. They estimate it would save 100,000 lives, fuel, etc. Speaker Tony Sava made an opening representation and is on You Tube. They witnessed a drone taxi and it was exciting. It was a two-person vehicle that was used; there are a lot of companies wanting to utilize flight space. There is one computer that can fly 180 drones at one time. She was told this will be commercialized in three years. In the next ten years, 50 percent of growth will occur in Texas, Florida, Georgia and North Carolina, so you need to be ready. The S-Line project is a game changer for North Carolina, our region and our community. Virginia has purchased their portion of the S-Line; now there is a precedent of prices. This corridor is from Richmond, Virginia to Hamlet, North Carolina. Representative David Price is helping to make rail dollars available and it seems we will be getting some grants; they will know something in April. They will be a pilot for this program. They are going to businesses, the City and the County to get everyone aboard for the rail project and this helps in the grant project. They want to hear how this will impact the community college, etc., and start to form a Sanford coalition. Are there companies that want to form around it? Last mile solutions-start thinking about what the last mile solution is and how do you handle it, such as a bus in Sanford and think about all the ramifications.

Ms. Mathis updated on their financial situation. Their cash balance is thin and moved \$100 million from one of their particular funds into another. Their five-year bill expires in October.

Division Engineer Brandon Jones said they have 6,941 road miles and 14,720 lane miles. They are the second largest state with maintained miles. The first ever NCDOT Mobi Awards were issued last year and Sanford was a recipient of one for its Downtown Streetscape Project. He gave an update on the Lee County current projects (Exhibit F). Their DOT resurfacing projects have been stopped for this year. There is \$214.415 Million for Lee County STIP Projects for 2020-2029. The realignment of the Kelly Drive project is scheduled to be let in March 2022. Bike and Pedestrian Programs are funded by the federal government. They cannot use state funds for a bike alone project. Mr. Hegwer clarified that we hire engineers/architects to prepare plans for the bike and pedestrian programs and they are needed before the project is done.

Mr. Jones noted that they get most of their money from the gas tax. GM is working on a plant to produce electric vehicles. They are going to build batteries that will take you 500 miles. Right now, they are a \$5 billion year corporation and they need to be \$7 billion. North Carolina First Commission deals with the funding of electric stations, drones, etc. Brandon Jones noted that in the future gas stations will revert from gas to charging stations. They have people to study these changes and advise the governor on the changes and what will take the place of gas tax, etc. Virginia has a tax on Amazon for packages that are delivered by drones. NC Moves will tell you the latest information.

NCDOT Project selection CTP is based upon transportation modeling. The plan goes through a public information process, etc. Lee County is updating its CTP and the last one was adopted on June 6, 2008. He explained how projects are selected based upon a scoring system. They are in the sixth round of prioritization; Draft 2023-2032 is under development. They work with staff to place points on the projects. Mr. Jones presented the Lee County Prioritization 6.0 TARPO project submittals of highway, aviation and bike and pedestrian projects. They will be submitted and scored. Since 2012, the airport has received nearly \$20 million of grants and created 470 jobs.

### **Parks Department Presentation – (Exhibit G)**

Don Reuter gave an update on the Sanford Parks Successes, Challenges and Future Endeavors and Opportunities (Exhibit G). The cooler weather attracts people to the walking trails at the Kiwanis Family Park. The splashpad was a huge hit and the pad stayed open through the end of October and it was used regularly. There are still some things that need to be done by our project engineer. There are some new trail markers along the trail that are wrapped in aluminum. They are working on ADA improvements and a maintenance plan for all the parks. It is not just one park, as there are nine facilities, they are responsible for to keep them clean and safe. We share Kiwanis Family Park with the County. He displayed pictures of the Sanford Greenway, Depot Park, Sunset Park, Maple Avenue Park, Walter McNeil Park, Carr Creek Park, and Third Street Park. They focus on maintaining the parks; particularly the Kiwanis Family Park. They had an erosion issue from the splash bucket and they have to wait until it functions to install a part to repair it. The bridge was overgrown (behind the movie theatre) and the City cleaned it up.

Mr. Reuter presented some challenges and they have received citizen input. They will follow up and get citizen input. The pocket parks are not used a lot; they need to get the kids off the phones to use them. They need guidance to encourage people to use the parks. Mr. Czar explained that if a developer so chooses, they could pay us money to develop something in our park system. You have to create a nexus and to do that, we need to know where the parks and greenways are going to be located. The master plan notes that we need to identify locations for two to three new parks. New developments have requirements for open space – it can be addressed through fees for such purposes rather than falling on the developer. Mr. Reuter explained that there will also be cost for management and maintenance for the additional parks. He listed some recommendations as to what we need (Exhibit G) and key areas needing citizen advisory support. He suggested having a citizen advisory committee for support and input. He said having some organized activities would draw the citizens to the parks. Mr. Czar noted that if we have an organized event, there would be supervision and this would draw them to the park. Mayor Mann added that you would need consistency. Mr. Czar added that we need a group to help establish rules and we need guidance on a way to increase participation. Mayor Mann asked Mr. Czar to prepare the framework for an advisory committee.

Mayor Mann asked if we have a master plan. Mr. Czar displayed a book put together for the PARTF master plan; we need money in the budget to proceed with a Parks Master Plan, etc. Mr. Reuter noted that we will need more temporary employees for the Kiwanis Family Park. Mayor Mann added that rules are needed for the Depot Park also and we need to hold a workshop on it. Mayor Mann asked that we put the greenway on the agenda for tomorrow at about 10:45 A.M.

### **UDO Update – (Exhibit H)**

Community Developer Director Marshall Downey gave an update on the Land Use and Growth Management Strategies. This is a perspective from the Planning Department but what we talked about today is a part of this plan. The more information staff can give developers, the more the developer

knows what is expected from them; developers hate uncertainty. We need to continue to update our rules so the developers know what the rules are to put a development on ground. Phase 1 is focused on single-family residential subdivision. We anticipate kicking this process off within the next month. He gave a list of challenges to achieve the desired residential development patterns. We want to raise our standards to put in elements in subdivisions to make them better communities. They would like to create a steering committee, composed of staff and the City's members of the Joint Planning Commission (Mayor Mann and Council Member Taylor, Sanford Planning Board Fred McIver) to work through a draft to bring back to the City Council. Then, move forward with the formal adoption process. Mrs. Salmon expressed concern with going through the process to prepare a draft and then it be voted down by a jurisdiction because it does not apply to them.

Mr. Downey noted they are suggesting that we will continue to update the UDO in sections. The next big issue is commercial and residential development and signage. The Bar Association initiated an effort to modernize the framework of the state's enabling statutes for planning and development regulation. This effects the City, County and Broadway. We do not have any control over this. We will be looking at cost, timetables, etc. and it may be an issue that the City and County can split the cost. The timetable for completion of UDO Phase I is Fall 2020. We need to make the existing UDO comply with new N.C.G.S Chapter 160D standards; the target completion date is December 2020 as we must conform to the new procedures by January 1, 2021. Staff recommends working with City and County attorneys and use a third-party legal consultant. Attorney Patterson is researching a third-party consultant. This item will be added to the next interlocal committee meeting. Mr. Hegwer said he did not think our landscaping is enough for industrial/commercial developments. These standards need to be revised. Mr. Downey stated that this is a growth management plan for the City and County. He presented a scenario with a recent 29-lot project that had no amenities in the County. They had concern that they are a one-half acre lot on private septic system and that is not meeting the goals of the plan. Mr. Hegwer noted that it would be better to have these subdivisions on city sewer.

### **City Hall Space and Safety Needs – (Exhibit I)**

Public Works Director Vic Czar went over security enhancements to provide a safe and secure work environment. No place is immune to workplace violence/shootings. Currently, we have key fobs to enter into City Hall. We have two employees who are not behind the locked doors. We have panic buttons at the Service Center and City Hall. We do have emergency drills such as active shooters, severe weather, fire, etc. Staff has prepared a site plan for the Service Center and City Hall to make it more secure. You can get on the campus without a lot of control and in the world we live in today, this is not good. Mr. Czar explained that at the Service Center, there is a gate controlled by a key pad for after hours. He displayed a layout (Exhibit I) of the proposed changes to the Service Center with the new public entrance off North Fifth Street. We can move the gate back and make it work with a transponder for police and a fob for employees. We need a new public entrance and we would like to move it to the side of the building and construct a new parking lot and a new entrance for control of who enters into the building. They would also like to install some bullet resistance glass at the entrance. This is a reasonable fix for security at the Service Center. We have asked our ADS (our current provider) how many more panic buttons are needed and staff was told 70. This is an attempt to make the buildings safer.

He displayed an example for the customer service area with bullet resistant glass and the same idea for the Police Department and the Personnel Department. The glass would not go entirely to the ceiling. The cost for all locations and parking would total approximately \$290,000. Mrs. Kelly would advise that 75 percent of the cost would come from the General Fund and 25 percent from Utility Fund. We are planning to move Kelly Miller to the Buggy Company and Amy Gordon next to Holly Marosites

very soon in order to make that area more secure. We could make offices in the drafting room; however, that is just a band-aid fix. We are going to need more space. We plan on putting this in the budget.

Mr. Hegwer said that we could construct a new building for the Utility Department and pay for it with Utility Funds. Mr. Czar stated that they have discussed going out the front with a walkway; there are different options.

### **Discussion with Legislative Delegation – (Exhibit J)**

Mayor Mann said we are lucky to have great caring delegation and we are thankful for their help. Senator Jim Bergin and Representative John Sauls were present for the presentation. Community Development Manager Karen Kennedy presented a powerpoint presentation on S3 Housing Connect. She explained how the initiative began in 2017 and a task force was implemented. S3 stands for Shelter, Service, and Stability and their motto is Rare, Brief and Non-recurring. In school year 2016-17 there were 303 homeless Lee County School students; now there are 290. This is the most comprehensive task force that has kept its momentum going with a very diverse group of people. She noted some of the S3's proudest accomplishments: Outreach Mission, Inc. shelters became "low-barrier" and they served 249 people in 2019; 89 exited with housing. Bread of Life Ministries' Extreme Weather Shelter-for cold weather shelter was open 83 days in 2019; served 911 total people and 95 different people. During hot weather, it was open 31 days – 289 people came through to get water and cool down. Another great event is Dr. Hall's street medicine initiative. He calls it H3- (health, healing, hope). Representative John Sauls was able to get \$57,000 last year for the initiative and anticipate another \$50,000 this year. We have partnered with Downtown Sanford merchants and the police are present when the Temple Theatre is open, etc. She spoke on the enhanced 211, which is Lee County's coordinated entry system. Dial 211 and a person in need will be connected to all local resources. For someone needing assistance, that person's story is put in a computerized system and you only have to tell your story once. You answer a questionnaire and the 211 representatives will direct the individual to the resource needed. Jeffrey Rawlings, with Johnston-Lee-Harnett Community Action, will tell you that there are some people who will work the system. There is a need for supportive housing.

Mrs. Kennedy explained the future projects and goals of S3 Connect as listed in Exhibit J. They will be partnering with Central Carolina Community College (CCCC) to aid homeless students whether in a car, etc. There are some people in conversation with Dr. Lisa Chapman with CCCC. Project Homeless Connect would be a place for showers, haircuts, etc.

Mr. Hegwer stated that the money that came through the City was scrutinized to make sure every penny from government was spent wisely. With the 22 people that were homeless, we put 16 in a place to stay. Mayor Mann added that we are trying to get the County on board with the homeless kids in our school system. Senator Bergin added that we need to provide funding for foster kids (ages 0 to 3 years) and Representative Sauls stated can you imagine Sanford with no place for the homeless to go. Mayor Mann commented that if Senator Bergin and Representative Sauls know of any grant/funding for the homeless to let us know. Mrs. Kennedy stated that we have a deficit of 1,800 housing units.

Mayor Mann asked Beth Kelly to give a brief presentation on how we might address the ad valorem method of distribution. She gave the Financial Overview of the tax rate and the method of distribution (same presentation as presented earlier). She said the County has two methods for sales tax distribution, which are ad valorem and per capita. For years we had per capita and it was changed in 2013. The state would collect all the sales tax and the County distributed it out to Broadway and the City of Sanford; the City would get a larger piece of it when it was per capita. Most of the sales tax

comes from inside the City limits. The County is getting benefit of the revenue and we lost \$1.4 million. Representative Sauls stated that the County has a new board and maybe they would change it back to per capita. City Attorney Patterson stated that they can change it any time. Mayor Mann informed our delegates that 80 percent of the sales tax is created inside the City, but it is difficult for the City to grow as the County gets more of the sales tax due to the ad valorem method. Mr. Hegwer added that it makes the City reliable and dependent purely upon the property tax. Mayor Mann noted that we can feel it financially. Representative Sauls asked how many other counties have this sales tax methodology. Beth Kelly display a graph of the sales tax distribution method and how it affected the City and the County since the change in methodology. They reduced the County tax rate by two to three cents when they changed the methodology. Since 2009, we have received \$1,132,494 over 11 years. Mayor Mann stated that we need someone to step in and help us. The County does not want to change the sales tax methodology. As shown on the graph, the City's sales tax distribution is flat and the County's is going way up. Lee County will not fund the homelessness initiative and the UDO changes. Mr. Hegwer stated that we would like to have help with the shelter. Mr. Gaskins said that with Pfizer's expansion in the County, they could change the method. Mayor Mann stated that if the delegates could help us, it would be appreciated. The businesses in town are driving the need for police and fire services. Mayor Mann added that we are struggling to build a fire department right now. Mr. Hegwer said every year it is so unpredictable and sales tax is hard to budget. The County says they have a lot of needs with schools. The City's line is flat and the County is getting the benefit of what the City is pushing. This is the reason we are so aggressive about annexing to receive City services such as water and sewer. Mr. Gaskins thanked the representatives for the three-mile annexation change. Mr. Hegwer said it is better for the city to grow into Chatham County because it is per capita. Mrs. Kelly added that the roadblocks were retail association lobbyists and the state saying the way it collects info from businesses is the point of delivery and how they report the sales tax collected from the state.

Representative Sauls added the numbers are important to see what is being done statewide regarding how other counties distribute the sales taxes, (ad valorem vs per capita).

Representative Sauls stated that he toured the Outreach Mission shelter several weeks ago and those people touched his heart with their compassion and sacrifice and he has put in \$50,000 in the budget for the shelter. Last week, he had three members from the NC Chamber to visit him to see Sanford. They ate breakfast at the Dairy Bar and visited SAGA; they were blown away with the one-stop shop. He rode them around town to see the streetscape projects and murals; they could not stop talking about Sanford. He has heard legislators say Sanford is moving forward. It is beautiful to show people; when you see how towns have died in other places. In the future, he wants to work on CCCC instructor pay; they have given teachers a raise five years in a row. The average pay for community college teachers is \$47,000. It is not fair; he was going to hire an AG teacher but he/she could not go to the college due to pay cut. He is also trying to get money next year for the restoration of the railroad house. He likes to hear what the City and County officials tell him about what they need. Mr. Gaskins said the community college is helping us with the job components for the new industries.

Senator Bergin said we have a lot to brag on Sanford as you have a lot to be proud of and keep doing what you are doing. Your hearts are in it and want to maintain the quality of life. Senator Bergin serves on the Health Care Committee and he helped DHHS budget \$500 million budget. In the next round, he is going get more money for the Pregnancy Center downtown. It said it cost \$35 per day for men at the Dorothea Dix campus-it is a detox center. You can go and stay as long as you need. Their success rate is when a man leaves the facility, they rarely come back because they are not thrown out. He spoke regarding a doctor who lost everything and went there and became a leader. There are people

in the mental health center to be released that don't have housing. He spoke with DHHS today about some of these things and how do we give care efficiently and make sure we give the care. We can do it cheaper. On any given day, 35 to 40 percent that are at the three mental health facilities are found competent to stand trial. With DHHS, they are evaluating hospitals and why they cannot do mental health in the empty rooms. There are people in hospice in the prisons and he wants to send them home and he is working on these issues. We need to be smarter and wiser when spending these dollars. They are working on a lot of things for rural North Carolina Tier 1 and Tier 2 counties. Tier 3 counties are depleting the money. There are some things they can change and look at differently.

Representative Sauls and Senator Bergin informed Council of the committees they are serving on and asked Council to let them know of three things they need. Senator Bergin filed a local bill to remove Lee County from emissions testing, which will save maybe 25 dollars for every car you own. Harnett County has asked him to introduce a bill to allow them to charge a \$5,000 impact fee; they had 5,300 permits. In regards to DOT projects and funding, Representative Sauls said the DOT spent all their money and in January, they had to appropriate them \$200 million.

**RECESS**

The retreat was recessed until Friday morning at 8:30 A.M.

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

Respectfully Submitted,

  
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T. CHET MANN, MAYOR

ATTEST:

  
\_\_\_\_\_  
BONNIE DAVIS, CITY CLERK  
Vicki R Cannady,  
Deputy City Clerk