

**SANFORD CITY COUNCIL**  
**SPECIAL-CALLED WORK SESSION**  
Tuesday, October 25, 2022  
West End Conference Room  
225 East Weatherspoon Street, Sanford, NC

The City Council held a special-called work session on Tuesday, October 25, 2022, at 1:00 p.m. in the West End Conference Room at City Hall. The following people were present:

Mayor Rebecca Wyhof Salmon  
Council Member Mark Akinosho  
Council Member Jimmy Haire  
Council Member James Williams  
City Attorney Susan Patterson  
Deputy City Clerk Vicki Cannady

Mayor Pro Tem Charles Taylor  
Council Member Byron Buckels  
Council Member Linda Rhodes  
City Manager Hal Hegwer  
City Clerk Bonnie Davis  
Assistant to the City Manager Holly Marosites

**Call to Order**

Mayor Salmon called the work session to order.

**Consider Direction for Future Betterment Costs Associated with Mast-Arm Poles and Pedestrian Pedestals (Exhibit A)**

Long-Range Planner II David Montgomery reviewed information on the attached Exhibit A and questioned whether Council wants to pay the cost difference between Department of Transportation (“DOT”) baseline funding and the cost to paint mast-arm and pedestrian signals (“betterments”) on the Kelly Drive project. He showed photos of black powder-coated mast-arm poles and pedestrian pedestals compared to metal poles and reviewed proposed locations and stated that costs are estimated to be about \$8,100 above the DOT baseline. Mayor Salmon reminded everyone that Council approved these betterments at other locations and questioned whether Council wanted to maintain that consistency if the cost difference is not prohibitive. Mr. Montgomery stated there is no cost discount on this relatively small project and the project is scheduled for bid opening in 2024. Mayor Pro Tem Taylor questioned whether we should require these betterments in new developments but Public Works Director Vic Czar explained that the City’s current standard is for grey fiberglass poles (not wooden poles) and suggested that the City could offer to fund baseline costs if developers want to pay the difference to upgrade.

City Manager Hegwer reminded Council that this issue has been addressed by Council several times previously and the black powder coated pole betterments were approved each time. Since this now appears to be the standard, he recommended authorizing staff to approve betterments if warranted on any new projects with mast-arm poles and pedestrian pedestals unless costs are prohibitive. Mayor Salmon confirmed there was consensus to authorize this request.

**Consider Compensation for Boards and Commissions (Exhibit B)**

Community Development Director Marshall Downey explained that in light of several very long Planning Board meetings (lasting up to four hours) recently on several important projects, the issue of compensating board and commission members has been discussed. He referenced Exhibit B and reminded everyone that volunteers on some City boards are paid \$25 for each meeting they attend. Board members currently being paid are those on the Appearance Board, Board of Adjustment/Housing Board of Appeals, Historic Preservation Commission and the City Planning Board. The only board related to planning for which members are not currently being paid is the Joint Environmental Affairs board, but Mr. Downey noted that members also represent the County and Town of Broadway (it is not solely a City board). He suggested that \$25 is probably not adequate and requested feedback from Council. He

reviewed details of a recommendation to pay a stipend to all board members who attend board meetings on planning-related boards \$25 for the first hour and \$25 for each additional, noting that Council could set this stipend at \$50 or whatever is deemed appropriate. He also suggested that additional hours not be prorated and reviewed two examples as shown on the attached Exhibit B.

Council Member Buckels questioned whether all board members should be paid. Council Member Rhodes suggested the concern is not only the time spent at meetings (including Council meetings attended by Planning Board prior to its meeting), but additional time spent responding to citizens' questions and visiting sites. City Manager Hegwer suggested the recommendation would apply to boards currently being paid by the City. Council Member Taylor questioned whether alternate board members would qualify for the stipend. Mr. Downey noted that clarification is needed on this and suggested they be paid if their attendance is requested (when it is possible that regular board members cannot attend) rather than just observing. Mr. Taylor suggested paying \$50 for the first hour and \$25 for additional hours. Council Member Akinosho commented that other boards do not routinely have meetings that last several hours like the Planning Board and agreed to the suggestion to pay \$50 for the first hour and \$25 for subsequent hours. Council Williams suggested keeping the first hour at \$25. Mayor Salmon noted that the \$25 stipend has been in effect for some time and increasing it is a good idea.

Mayor Salmon questioned whether it would be burdensome on staff to track attendance. Mr. Downey stated that he discussed this with staff and they confirmed it would not since they already do minutes documenting attendance and time frames, and they would pass that information to Finance staff.

Mr. Downey confirmed that his request is for board members attending planning and zoning related meetings (Appearance Commission, Board of Adjustment/Housing Board of Appeals, Historic Preservation Commission, Planning Board). Mayor Salmon questioned whether it would be easier to raise the base stipend for all board members since they will not routinely be serving additional hours. Board Member Buckels noted that all boards are important and suggested further discussion on capping the total stipend for the four boards at \$50 and the importance of boards cannot be measured only on time spent at meetings. Council Member Akinosho commented that all remuneration is not equal since it is based on what is being requested. Council Member Buckels explained that he supports the \$50 and somewhat supports \$25 for each additional hour but we should consider paying members of all City boards. Mayor Salmon suggested each board be considered separately since they are structured differently, some work jointly with others (the County, Broadway), and some serve other organizations (SAGA, Sanford Housing Authority) in order to compare "apples to apples." Mr. Buckels agreed we should compare functions to ensure that similar boards are treated similarly.

Mayor Salmon confirmed there was consensus to move forward with the recommendation to increase the base stipend to \$50 for each meeting attended by members of the Appearance Commission, Board of Adjustment/Housing Board of Appeals, Historic Preservation Commission, and Planning Board, and \$25 for each additional hour or portion of an hour (not pro-rated) but to also consider whether other City boards perform functions that are similar to those already being paid in order to determine whether the City should also compensate those board members, with the base stipend for all of them to be \$50. Mayor Salmon confirmed that staff will research other City boards to determine what is similar in nature and make a recommendation to Council on stipends. Council Member Akinosho noted that some boards may be subject to federal guidelines that prohibit payment to board members.

### **Consider Discussion Regarding a CDBG Grant Opportunity**

Community Development Manager Karen Kennedy informed Council that the Department of Commerce sent out a Notice of Funding Availability for a second round of Community Development

Block Grant (“CDBG”) Neighborhood Revitalization (NR) funds on October 10, 2022. Initially, Ms. Kennedy had not planned on submitting a grant since the City had already sent in an application for the Washington Avenue project. However, County Commissioner Robert Reives spoke with Valerie Fegans, the Interim Director of the Rural Economic Development Division, Department of Commerce, following the Linden Avenue project ribbon-cutting about potential projects and staff was encouraged to file another application. This round of funding has a \$5 million maximum in CDBG-NR funding. A neighborhood revitalization project has been proposed to provide infrastructure improvements and installation in the Jackson Heights neighborhood. This neighborhood is located on Charlotte Avenue area from Eleventh Street to Sixteenth Avenue, and the unpaved 17<sup>th</sup> Street area, This area is where Brick Capital Community Development Corporation (BCCDC) is already constructing single-family homes with plans for future construction on land owned by Brick Capital CDC. With a filing deadline of November 1, Public Works staff is already working to identify and assess water and sewer lines in the area. A site meeting was held yesterday between Ms. Kennedy, Utilities and Engineering Director Paul Weeks, local engineer Jeremy Thomas, and BCCDC Director, Kerry Bashaw. She confirmed that no local match is required for the funding and up to ten percent is allowed for administrative expenses. Although two public hearings are required, one has already been held in connection with the Washington Avenue project. If the application is approved, a second public hearing will be required. That the City has already conducted one of the two required public hearings is a positive component for the application. The project would meet one of the three CDBG requirements; to address needs of low- and moderate-income residents.

Mayor Salmon commented on how this is an example of the power of these partnerships to identify projects that could help many local families. Council Member Williams reminded City Manager Hegwer that several households in this area have struggled to connect to City sewer service over the years. Mr. Hegwer noted the difficulty in obtaining approvals required from residents in the petition process to extend sewer service at an affordable price, pricing many neighborhoods out of those extensions. Ms. Kennedy agreed that staff knows of several houses on Charlotte Avenue affected by gaps in the sewer line and Public Works staff is assessing the entire area. She also commented that \$5 million does not go far on infrastructure projects, so staff will be meeting with Mr. Thomas and Mr. Bashaw in the next 48 hours to discuss the best way funds could be utilized in that neighborhood.

Ms. Kennedy noted that the project would have a 30-month deadline, as does the ongoing Washington Avenue project. So, staff plans to hire a CDBG experienced consultant to handle administration of the federal/state grant documentation for both projects. Although Mr. Weeks and his staff would oversee engineering, they may have to hire a project manager but allowances for that are included in all projects, so the majority of the work would be done in-house or overseen by Mr. Weeks. Both the City and the County could have filed the application but since the Charlotte Avenue project would predominantly be for infrastructure, it would be better suited as a City project. Grant awards will be announced for successful CDBG-NR project applications in the next few months.

### **Consider New Fire Station Timeline (Exhibit C)**

City Manager Hegwer stated that with design of the new Fire Station #5 completed, staff will begin moving forward on construction and a video (<https://vimeo.com/670717341/45da14f660>) showing the new station was played. Financial Services Director Beth Kelly reviewed the project time line based on an estimated construction timeframe of 14 months from contract award (anticipated on April 4, 2023, after LGC approves the debt application) assuming no major supply chain delays. Acquiring rolling stock (vehicles such as fire pumpers, etc.) will also factor into this timeline. Public Works Director Vic Czar explained that staff hoped for a more aggressive timeline but holiday schedules will likely slow things down and this timeline appears more realistic.

Ms. Kelly reviewed anticipated budgetary impacts of Fire Station #5 as shown in Exhibit C, and noted that these figures have been updated from information provided at Council's 2021 retreat meeting. This information is based on the station being operational by July 2024, meaning that firefighters must be hired in January 2024 to allow time for training; therefore, six months' salaries would be budgeted in FY 2024. Debt would be issued in April 2023 for the station's estimated \$6.8 million cost, plus costs for loan issuance, design, and land, for a total of approximately \$7.6 million. Based on a 20-year loan term, a full year's debt payment of about \$710,600 would begin in FY 2024. Rolling stock should be ordered soon since the timeframe from order until delivery is estimated at two to three years, and there would also be a full year debt payment on that. Staff plans to apply for several grants: a SAFR (Staffing for Adequate Fire and Emergency Response) grant to offset personnel costs; SCBA (self-contained breathing apparatus) equipment; and radios. Although City Manager Hegwer will be presenting the FY 2023-2024 budget next May, it may be September before we know whether we receive any grant funding, so it is prudent to include these full costs. If we receive any of the grants, those funds can be used toward one-time capital expenses. Fire Chief Matt Arnold stated that the SAFR grant is revised annually but he has been told a match may not be required this year. Prior grants have funded 100% of personnel costs in the first year; 75 percent in the second year; and 50 percent in the third year, but this could change.

Based on this estimated timeline, \$1.4 million in revenue would be needed to offset these expenses in the next fiscal year. With one penny of the City's tax rate currently providing \$303,456 in revenue (which will change with next year's tax revaluation), 4.89 pennies would be needed. Since approximately \$500,000 was already budgeted (previously about two pennies but currently a little less), 3.24 pennies would be needed to provide the remaining \$983,402. Mr. Hegwer noted that it will be difficult to make major changes as the schedule moves forward and debt is issued. Mrs. Kelly explained that there are opportunities to pay cash for some of these expenses. Because the equipment is built in stages, payments can be made throughout that process. She noted that the fire pumper expense has been re-appropriated several times in the past due to the construction time frame (which was 14 to 16 months even before current supply chain issues and the full cost was not paid in a lump sum). Mr. Hegwer stressed that decisions on rolling stock must be made soon to address delivery delays and discussions on how Council wants to use ARPA (American Rescue Plan Act) funds will be held at the next workshop.

Mayor Salmon questioned how long before revenue from upcoming growth would be realized. Mrs. Kelly responded that it typically takes about 18 months on residential construction (from commencement of construction until complete and occupied), noting that residential property requires more services than industrial or commercial (fire, police, schools, utilities). Since many of the recent industrial projects have incentives, it will be some time before that full revenue is received, so it could be between four and ten years. Mr. Hegwer stated that it takes roughly \$240 million in assessed property value to support a fire station and all cities struggle with this expense. In the past, cities would annex areas that were already complete, which made funding easier.

Mayor Pro Tem Taylor asked how these decisions could affect the City's bond rating as we issue debt. Mrs. Kelly responded that the market will most likely recommend private placement and since bond ratings agencies consider our fund balance and General Fund debt, she sees no drawback other than lack of diversification with our largest rate payers (meaning that we would be impacted significantly if we lost any of the top ten payers). Mr. Hegwer stated that the City is in a good position on our capital revenue-to-debt ratios and our General Fund obligation debt is very low for a city of our size (we had none until the last bonds were issued). Mrs. Kelly explained that the County Tax Department provides revenue estimates based on permitting information and assessed values and they are typically conservative; however, any closing or reduction in personal property and equipment by local industry,

(such as Magneti Marelli closing last year), would impact revenue. We typically see growth and during budget discussions last year, ad valorem revenue had grown \$250,000 to \$300,000 year-over-year.

Fire Chief Matt Arnold discussed equipment needs, explaining that a fire engine is the smaller truck with hoses and water to extinguish fires while a ladder truck is the bigger, longer, heavier truck. The City's ladder truck is 22 years old and in poor condition, so we would like to replace it for use in searches and rescues. Ladder personnel are not typically concerned with hoses and extinguishing fires but have a very specific set of tasks that they are trained to do. As the City grows and we add apartments and commercial buildings, the need for this specific apparatus will increase. His department recently had an alarm at Big Lots and since the ladder truck is not in service, a ladder from the side of the fire engine was used to access the roof but he was uncomfortable having firefighters use it. Our ladder truck, which is at the Central Fire Department, is usable but limited due to outdated design, so his staff has begun considering design of a ladder truck that would align better with the fire industry standard ladder services. With one crew floating between our fire engine, ladder truck and rescue utility equipment truck, no one can be expected to be an expert in all of them. If we run the ladder truck only two or three times a month, he can't expect them to be expert in the specialties (ropes, collapse, trench) that come along with it, so he wants to ensure a ladder truck is designed to perform ladder functions, meaning that when we design an engine company, we don't need to have one that can do lots of tasks. The fire engines that we have currently are tall, heavy and have lots of extra equipment that normally would be associated with a ladder truck, but as they design these in the future, we can have smaller, more nimble fire engines without all that extra equipment, making them smaller and less expensive. When designing the ladder company, it will be to do specific tasks more aligned with the industry standard. Our firefighters would be more capable and efficient as experts in a smaller group of tasks and our apparatus would be less expensive and last longer. Our department can use equipment in a better way, he could make better use of staff going forward, and residents would be safer with more specialized highly-trained firefighters. It would also allow them to consolidate the fleet since rescue equipment could be placed on the ladder truck, eliminating the need for two apparatus. We will need an engine that can get to Galvin's Ridge quickly with plenty of hose, water and firefighters.

Fire Chief Arnold noted the delay of equipment by at least two to four years could run three to five years depending on the manufacturer and options, with cost escalators being including in contracts to address unforeseen industry costs. The cost of a fire truck has increased fourteen percent in the last eighteen months, and new emissions standards coming in 2025 will further increase costs, particularly diesel trucks. He confirmed that the new fire station will include both newer and veteran firefighters and they have considered leasing equipment but he will provide information for Financial Services Director Kelly to make a decision. He acknowledged that he has no problem requesting the ladder truck from the Northview Volunteer Fire Department (currently the only ladder truck in the County), but he does not want to rely on that since they may not be adequately staffed when it is needed. While used equipment is available, many other departments are also considering that option and the equipment may not meet our specifications or needs.

Regarding training and recruitment, Mr. Arnold confirmed that current staff will provide some of the more specialized training and they will seek specialized skills when recruiting. Since word is already spreading that we are building a new fire station and want to explore using a ladder truck, people are already asking about applying. The department is also using social media, including Facebook ([sanfordnc.net/149/Fire-Department](https://www.facebook.com/sanfordnc.net/149/Fire-Department)), which has already generated interest and he is working with staff to attract more diversity. They are doing a radio spot this week about fire prevention and recruiting will also be mentioned. Mayor Pro Tem Taylor suggested we escalate the quality of our videos for a more professional approach. Mr. Arnold suggested we will benefit from our department providing opportunity

and innovation and his staff will take full advantage of that. We can also benefit from the fact that the Fire Academy is held at Central Carolina Community College and he will be speaking there tomorrow. While the program is associated with volunteer fire departments, several of our firefighters and captains are teaching (he has also talked to them about teaching), providing another opportunity for information on our department. Council Member Buckels commented that this more specialized philosophy reminded him of the military and thanked him for being pro-active.

Regarding challenges, Mr. Arnold responded that the department must pace its growth with that of the City and be pro-active on service. His biggest challenge is learning about his staff and their capabilities to provide a plan for his department to be sustainable in the long-term. He acknowledged substantial costs and confirmed that his staff is completing their due diligence to ensure their requests will serve the most people. Another challenge is the large number of staff who will retire in the next five to seven years and ensuring that younger staff is prepared to move up as his department makes succession plans. He acknowledged that all fire departments are competing for the same group and some will have initial pay as a primary qualifier. While we may not attract those people, we will attract those looking for opportunity to expand their levels of expertise as they get in on the ground floor.

Regarding equipment leasing, Mrs. Kelly explained that under new accounting requirements, we must record budgetary impacts of leasing, especially if there is an option to buy at the end of the term; leasing involves more than cash outflow but staff will research it. She and Mr. Arnold analyzed large rolling stock capital and equipment needs for next year above what is needed for the new fire station. Approximately \$604,000 is needed to replace SCBA equipment for our three stations, along with a ladder truck, fire pumper, and other smaller items. Since she will not borrow for these (because they can't be used as collateral), she will request approximately \$1.3 million in cash or fund balance and borrow slightly less than \$3 million, which would require a debt payment of about \$250,000 to \$300,000 annually. We would apply for the full SCBA grant and also for the SAFR grant, the grant that specifically funds hiring firefighters. That application requires justification of need, ability to pay after the grant ends (they don't want those firefighters to be laid off), and response time information. With the number of houses being developed at Galvin's Ridge alone, the location of the new fire house will help us meet NFPA (National Fire Protection Association) requirements on this. He stressed that the grant would not help with construction costs, but would for staffing. About 500 awards are expected from an anticipated pool of \$560 million. He has reached out to Winston-Salem's Fire Chief (they received an award last year), representatives of other successful departments and a grant writer to share information and request input before the application period opens. He will research costs, qualifications and track records of grant writers before making a decision of whether he will use one or handle the application internally. We also applied for a grant for radio battery replacements but haven't received information on an award since like many other grant programs, they have been delayed.

Mr. Arnold estimated that the cost of a ladder truck will likely be about \$1.8 to \$2 million (before any potential escalator costs are added) but reminded everyone that this would be mitigated somewhat with a lower pumper cost as we work to consolidate. He confirmed that he is not particularly loyal to any brand since his primary concern is that equipment functions effectively and efficiently.

Mayor Salmon requested a brief recess at 3:00 and the meeting was reconvened at 3:10 p.m.

#### **Consider Award of Architectural Services for Depot Park (Exhibit D)**

Public Works Director Vic Czar reviewed the attached scoring sheet in connection with selecting an architect for the Depot Building renovation project and noted that state statute requires architectural services to be selected through a qualification-based process rather than bid. After receiving only one

response from advertising, the project was readvertised and two responses were received. Staff considered both and unanimously agreed to recommend Traub Architecture + Design for this project. Staff is quite familiar with their work: they are well suited for work on older, historic buildings and the scope and budget fit that company well. He reminded everyone that the Depot Building has some structural issues and is in need of repair. Windows were replaced at one point but were not done properly; there are moisture problems underneath; there are holes in the floor; and the roof must be addressed. These issues are one part of the project and the second part is to ensure that the interior serves the function Council deems appropriate. The contract would cover services up to construction and bid (approximately 120 days), with an estimated construction period of sixteen months, assuming there are no supply chain issues. He also reminded Council that we received a \$500,000 appropriation from the State and fundraising efforts contributed about \$97,000 toward the estimated \$1.2 to \$1.3 million cost.

Mayor Salmon commented on the recent celebration of the Railroad House's 150<sup>th</sup> anniversary and how fortunate we are to still have historic buildings anchoring our downtown area. She suggested we move forward on this contract and noted that additional discussions will be held on interior design but stressed that structural issues must be addressed. She confirmed that the Depot Building would not be used in connection with the proposed S-Line rail since a different type of transit-oriented development would be considered if that moves forward. Public Works Director Vic Czar also confirmed that a tile roof is currently being considered to retain some of the building's historic flair.

#### **Consider Discussion on State Appropriation for Kiwanis Family Park (Exhibit E)**

Parks Administrator Nick Fortune informed Council that the City received a \$100,000 appropriation from the State for improvements at Kiwanis Family Park improvements and \$20,000 has been earmarked in the Parks Department budget. The concrete pad (shown in upper corner of Exhibit E) is located on the edge of the floodplain, which limits construction. Building codes require that any construction be at least two feet above the four foot elevation shown by a survey, so plans have shifted. Costs to that, along with extending wiring, are still being finalized. A sidewalk may also be constructed for access; the ADA-compliant (Americans with Disabilities Act) swing may be moved nearer the playground; and a shade structure may be installed. He noted that some cost estimates are coming in higher than anticipated and Mayor Salmon suggested the project could be done in phases.

Council Member Buckels thanked Mr. Fortune and Mayor Pro Tem Taylor for being pro-active on this project which may include a stage (which most City parks lack) and suggested we collaborate with the County on that. City Manager Hegwer noted that he very seldom receives any complaints on Kiwanis Family Park, other than walkers who would like more lighting early in the mornings.

#### **Other Business**

Holly Marosites, Assistant to the City Manager, reviewed the attached Exhibit F listing some of the current major projects, which are constantly evolving. In an effort to provide current project information to Council and the public, our Information Technology Department is adding a module to the City website. She displayed the module and noted it won't be available until more information is posted but once public, it will be seamless: users will be able to view timelines, updates, supporting documentation, and request notifications on a specific project or all projects.

Mayor Pro Tem Taylor commented on how the County had recently provided cost-of-living and pay increases to staff and asked whether we had looked into the impact of this for City staff. City Manager Hegwer confirmed that he and Financial Services Director Kelly had and they hope to provide information for discussion soon.

Council Member Buckels suggested items for consideration at Council's next retreat meeting: Police Department recruiting and hiring; water and sewer lines in older communities; street conditions; street lighting (particularly on thoroughfares); downtown parking and opportunities for vertical parking. He commented that trash, leaf and limb, and bulk trash pickup service had not been provided in his area recently and Mayor Salmon commented that there have been delays in other areas recently as well. He agreed that upcoming discussions on ARPA funding are needed and commented that many citizens recently recognized for serving on City boards and commissions were not in attendance and questioned what could be done to address that.

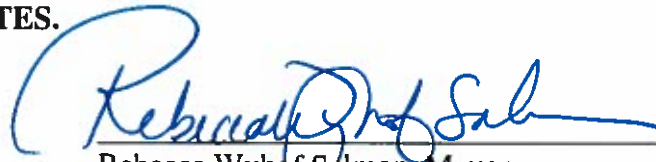
Council Member Rhodes reminded everyone that Saturday's downtown activities include trick-or-treating, a costume contest, and the movie "Hocus Pocus" showing at Depot Park.

Mayor Salmon thanked everyone for their leadership and collaboration and encouraged everyone to remain focused as all of these projects move forward

**Adjournment**


Council Member Rhodes made the motion to adjourn. Seconded by Council Member Williams, the motion carried unanimously.

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



Rebecca Wyhof Salmon, Mayor

Attest:



Bonnie Davis, City Clerk