The City Council held a work session on Tuesday, April 9, 2019, at 6:00 p.m. in the West End Conference Room at City Hall. The following people were present:

Mayor T. Chet Mann  
Council Member Byron Buckels  
Council Member Norman Charles Post, III  
Council Member James Williams  
City Manager Hal Hegwer  
City Attorney Susan Patterson  
Mayor Pro Tem Rebecca Wyhof Salmon  
Council Member Jimmy Haire  
Council Member Sam Gaskins  
Council Member Charles Taylor  
City Clerk Bonnie Davis  
Deputy City Clerk Vicki Cannady

**Work Session**

Mayor Chet Mann called the work session to order.

**Discussion of Wellness Initiatives** – (Exhibit A)

Human Resources Director Christy Pickens introduced Mark Browder, the City’s Employee Benefits Consultant and Ron DeVizia, with Piedmont Pharmaceutical Care Network, who coordinates all the various wellness programs the City has been participating in. Tracy McCarty from Mark III was present in the audience. Mr. Browder and Mr. DeVizia presented a powerpoint and explained in detail the Medical Plan Update (Exhibit A) which list the City’s self-funded medical claims analysis, wellness initiatives, and project funding for the July 1, 2019 renewal. Mr. Browder noted that they work with the City of Sanford, Lee County Government and Lee County Schools.

Mr. Browder stated that in FY 2017-2018, the plan trended down slightly approximately 1.4 percent in trend, essentially the plan broke even. In 2018-2019, the City increased its funding and as it stands through February, the trend is down about 1 percent. However, in the renewal phase, it is anticipated there will be some trend increase and you have to plan and budget for it. Trend is a function of many aspects. Part of it is increased technology; medication costs increase each year and these costs inputs are outside staff’s control. He explained the medical trend components, which are increased costs for aging population; increased costs for uninsured care, new technologies treatment costs, etc. From a renewal formula calculation, the math says there needs to be an increase for the upcoming fiscal year. Even though there has been no trend, you have to build the expectation in because ultimately you will see an increase in claims.

Mr. Browder noted that most of the City’s wellness programs are voluntary and most are incentive-based strategies. They believe in disease management and believe it should be on site. The top health risks for City employees are weight, cholesterol and blood pressure. Ten percent of the plan members are diabetic; 24 percent with cardiovascular disease, and 2 percent with blood pressure. One third of the employees have diabetes or cardiovascular disease. One incentive which has been offered to the employees is the measurement of your waist circumference; males’ waist should be 40 or less and females 35 or less. The City has an incentive that if you lose 5 percent of your waist circumference or have a 5 percent weight loss, the employee is eligible for a $250 incentive or they can put it in their
HSA plan. By offering the incentives it helps lower the high-risk categories. The population that meets this metric will have fewer claims.

Mrs. Pickens informed Council that the wellness committee is working hard to help employees to reach their goals. This year, they have focused primarily on weight loss, healthy eating and physical fitness to help with health issues.

**Discussion on Health Insurance Renewal** – (Exhibit B)

Human Resources Director Christy Pickens explained that based on the claims analysis, continuation of employer coverage requirements under the Patient Protection and Affordable Care Act (PPACA), and a recommendation regarding new program implementation, a 10 percent increase in funding is advised. The 10 percent increase would meet the claims expected and administrative costs, which total about $360,000 annually to the City; $275,000 to the General Fund and $85,000 to the Utility Fund. Each year, staff tries to get open enrollment information out by the end of this month; therefore, an approval to proceed with the plan is necessary by the end of month. It was the consensus of the Council members to proceed with the plan.

Mrs. Pickens advised that she visited James Cox in the hospital and he is doing extremely well; he is talking and asked for visitors. Mr. Cox may be sent to a rehab center in the next couple of weeks. He has been at UNC Hospital since August.

**Discussion Regarding Appointments to the Sanford Housing Authority**

Removed due to the absence of Director Shannon Judd.

The meeting was recessed at 7:15 PM for dinner and was reconvened at 7:25 P.M.

**Discussion Regarding Broadband with Lee County** – (Exhibit C)

Lee County John Crumpton gave a presentation on Fixed Wireless Broadband. Several years ago, the County started investing in broadband. Randolph Communications ran a line to the industrial park and Broadplex ran a line to the airport. The lines were also run to the governmental entities, which were at the end of the lines. They had people from inside and outside the County asking if they could help them with their broadband issues. Several months ago, the County Commissioners heard a presentation from a company called Open Broadband and they are doing some work around the state. It is a simple process; you are doing wireless point-to-point contact to create broadband speeds up to 1 Gbps. They have one installation ready at the Copper Ridge Development and have 27 homes signed up in the development at a cost of about $40 per month. A lot of people work from their homes and need high-speed internet, such as the hospital’s accounting department.

Fixed wireless is inexpensive and it is easier for the County to do; it is a fraction of the cost of lines. It is the new technology that is being delivered. The County felt if they were getting involved, they would like to do a pilot program. They chose Downtown Sanford for the pilot program because it would be a good location with high buildings and no issues with line of sight; it would be rooftop to rooftop. RFQs have been sent out and are due May 3. The County, at one time, provided free WIFI Downtown and the infrastructure fell apart and became too expensive for them to maintain. They would like to have Downtown WIFI again for people walking on the streets, at festivals, etc. The County hopes that if it works Downtown, they can shoot it out to the unincorporated areas of the
County, such as Deep River Sporting Clays, etc. The line of sight determines where it is located on the building/home. In the RFQ, it is starting in Downtown. Staff is in discussion with the owner of the Lee Furniture Building to have the base on top of that building. People will not be able to see it and then they can shoot it to the rooftops downtown, so you would not have any line of sight issues. It will be offered to the businesses if they would like to purchase it; cost is approximately $40 - $50. High-speed internet is just as important as water and sewer now.

Mr. Crumpton announced that Triangle J picked Broadway to host a broadband meeting on May 1, at 10 A.M. – 2 P.M., at the Broadway Community Building, located at 111 N. Main Street. He stated that Lee County is a Tier 2 county and the unfortunate issue is that the grants being given out are geared toward the Tier 1 counties. We are not getting any of that grant money. The Tier 2 counties can use it just as well as the Tier 1 counties.

Mayor Pro Tem Salmon stated that Triangle J has released a write up on the tier system. It is a different way to look at the tier system and they have presented it to our legislators. It talks about some of the issues with Tier 2 counties not being eligible in areas where they need it. Mayor Mann added that there is a House Bill being pushed by the League of Municipalities that will allow municipalities to franchise/sell internet.

Discussion Regarding Greenway Bonds/Grant Opportunity

Mayor Mann referenced this item and stated that Council needs to help staff by deciding how and where they want to go with this opportunity. The governor put $26 million in his budget for rural cities in North Carolina, five of whom will receive $1 million; Sanford was a recipient because we had shovel-ready projects and the ability to match the grant - $1 for every $4.

Public Works Director Vic Czar stated that staff is excited for Depot Park to get broadband because it is expensive to run the infrastructure. He gave an update on three greenway projects that are totally City obligations and three projects that are City funded in conjunction with the Department of Transportation. Staff would like to talk about the potential grant in the governor’s budget.

Mr. Czar displayed a powerpoint showing where six proposed projects are located. He stated that three projects are strictly City funded at this point: the Medical Mile Greenway, Wicker Street Greenway and the Wicker Street Road Diet. The three City/Department of Transportation greenway projects are: the West Lee Greenway, Carthage Street Road Diet and the Hospital Greenway. With the Carthage Street Improvements with the round-abouts, there are some sidwalk and sidewalk opportunities. The West Lee Greenway project will be funded with the Safe Path to Schools grant from the Department of Transportation which will run from West Lee Middle School to Kiwanis Park. There are two different types of projects.

The Carthage Street Road Diet project is a Bicycle/Pedestrian project. The DOT is looking at making it a two-lane road with the improvements inside the existing right-of-way. The Wicker Street Greenway will run from the Kiwanis Children’s Park to the Kiwanis Park. We started work on it and stopped when we postponed the issuance of the bonds for the greenway. We are not done with the design; it is not far from completion. The consultant says that we can be ready to bid in three months. There is more design work that needs to be done; the cost to design it is approximately $420,000 to complete design and construction. The Medical Mile Greenway runs from the Kiwanis Park through
the woods to the YMCA, behind some of the doctors’ offices. We are in the three-month range and he felt the project will cost more because we need to get some right-of-way that we do not have. The Hospital Greenway project is in conjunction with the Department of Transportation. The improvements are from Fire Tower Road on Carthage Street down to Wicker Street. The idea is to have sideway on one side and sidewalk on the other. There will be curb and gutter and it is set to go to construction in 2021. We have a letter from the Department of Transportation stating that the City’s share of cost is $199,000. We have responded to that letter and it is up to the DOT to give us an agreement. This is a good deal as this is less than the greenway we were proposing to cost us, if we had done it by ourselves. Mr. Hegwer advised that the County has committed $200,000 to this project, in lieu of their commitment to the Moncure Megasite.

Mr. Czar stated that DSI Executive Director Jennifer St. Clair submitted a grant application to the NC Department of Commerce for a transformative project in the amount of $1 million. The project is Wicker Street, from the roundabout at Carthage Street to Horner Boulevard. The intention of the project is to narrow that road; it is similar to what is being proposed on Carthage Street. There would be turn lanes at the intersection and sideway on one side with some parallel parking. It includes installing the utilities underground and a stoplight at Vance Street, where Stanley Lawn and Garden is located. Staff recommends a two-way stop at Gulf Street, so the traffic signal would be removed and a stop sign would be placed on Gulf Street. The total estimated cost is $3,200,000 and that includes underground utilities.

Staff is not certain on the West Lee Greenway project. Staff’s confidence level is falling apart quickly as we are not sure what the City will run into and not sure about the cost estimate. This project will run from West Lee School to Kiwanis Park with the intention of installing curb and gutter on one side of the street, so you can have curb and gutter in the sideway because there is no room for a ditch in between the two. The design has not even started on the project. The other problem is he is not sure where the $464,000 came from and 20 percent of the match would be $92,000 which would be the City’s portion. That sideway is over a mile long and he is very surprised if the project can be done for $500,000, with installing curb and gutter on one side of the street and dealing with the issues you will run into under that bridge. Staff does not believe the estimate is right and the DOT was only planning on a $464,000 project. If the project costs more, how does DOT see it? Is the City’s commitment still only $92,000 and they make up the difference or is their commitment only $464,000 and the remainder paid by the City, or is there some way to stand in the middle? It seems like a big gap and we are trying to figure it out.

The question regarding the Carthage Street Road Diet project is whether it would be better to put our money here and have something more complete than doing Wicker Street. Carthage Street is a bike/pedestrian project with a City match of 20 percent. This $1.9 million estimate was given on a project that was all inside the existing right-of-way with sidewalks on either side of the street and median down the middle. Since then, David Montgomery and the Planning Department were able to get a planning grant and staff is looking at something different; maybe having a sideway on one side and sidewalk on the other side. That study is supposed to be done in the spring/April. Depending on the results of that study, it could change the timing of the project. As the project sits now, it would go to construction 2021; however, adding a sideway, in lieu of a sidewalk, more right-of-way may be needed and it would change the timing. The City has a 20 percent match but we would pay for enhancements such as power underground or different kind of lights. All the enhanced landscaping
will probably be borne by the City. There are more unknowns than knowns. Mr. Gaskins stated that the Greenway bonds voted on are for $4 million and now we are looking at the possibility of an additional $1 million. Mr. Czar commented that staff does not know the conditions on the grant. He believes it was submitted for Wicker Street from Carthage Street to Homer Boulevard. The project needs to be shovel ready. You now have $5 million if we get the grant from the N.C. Department of Commerce. Mr. Czar stated that the West Lee Greenway is not far along with design. With a million grant, and the stipulations he foresees and $4 million bond referendum, he felt the City could get what it has contemplated initially and perhaps have some funds left. Mayor Mann added that there is a condition on the grant program. The General Assembly adopts the governor’s budget. The governor has put $26 million in rural cities and Senator Bergin has two municipalities receiving funds from the governor’s budget; just about every rural county with Republican legislators are receiving funding. He felt the chances of it passing are likely but it is contingent upon the condition. Mayor Mann will write a letter and make an official response encouraging Representative Sauls and Senator Bergin to put this in their budget. Mr. Czar informed Council that we do not have a price to install underground utilities. It would be a transformational project and can be done rather quickly. Mayor Mann stated that with this project, we would pretty well establish the entire core on both sides of Homer Boulevard.

Mr. Czar stated that with the hospital greenway, Duke Energy is working on a price to install utilities underground. We need the numbers so we know what we are dealing with; they probably have to move the poles anyway, so we may just have to pay the difference. The second thing is we do not have any money in the budget to proceed with the remaining design, etc., because we are uncertain when the second and third issuance of bonds would take place. With the anticipated $1 million and if the project has to be shovel ready, we have to move on. Financial Services Director Beth Kelly explained that this could move up the timeline on issuing the Greenway Bonds, depending on what needs to be done. We can spend out money but we cannot reimburse ourselves past 24 months, so that is why we do not want to spend out a lot of money and then us not issue the bonds until four years from now, because we cannot get back the money we spent. The other issue is we are in the process of trying to talk with the attorneys and will come back in May or June, once we get our debt issued for the Revenue Bonds and GO Bonds. We are going to ask for an extension from the LGC because if we don’t issue it before September 2020, then we have to request a three-year extension, so the bond attorney will be working on it. We have to hold a public hearing on it and staff will come back with a resolution in May or June. Referring to the $1 million depending on the timeline with it, more work needs to be done because we did not fund the debt payment in this current year project we are in, only the debt payment on the GO Bond for the $2 million. The design was stopped since we were not sure how many years we were out with the greenway bond issuance. Mr. Hegwer said we need to wait and see if there is any way to get $1 million incorporated into the state’s budget.

Mr. Czar commented that if they are looking for transformative projects, the installation of powerlines underground would be a significant contribution to the project and the $1 million would make it more feasible. It is crucial. Mayor Mann noted that we need to put that in the letter.

Management Analyst Holly Marosites informed Council that the City received the Mobi Award for its streetscape project from the NC Department of Transportation and received a basket of goodies. Mayor Mann added that the City won first place in the rural submission for streetscape.
Mr. Czar noted that to do the six different projects it is projected to cost a total of $4,511,000. Taking into account potential grants and other commitments, an estimated $3,220,000 will be needed to complete the six projects, which is within the Greenway Bond Referendum of $4 million.

**Other Business**
Ms. Marosites mentioned that she has received some feedback on the project list and she is working on it. She is working on color coding the projects.

Mayor Mann reminded everyone of the Mayor’s Prayer Breakfast on May 2, at 7:30 A.M., at the Dennis A. Wicker Civic Center. Mr. Hegwer has sponsored a table for Council.

Attorney Patterson stated that Representative Sauls’ Bill regarding annexation restriction removal has passed the Third Reading and has crossed to the Senate.

There will be an all boards meeting with SAGA tomorrow at Oakland Farms, a beautiful venue, located on Rosser Road at 6 P.M.

Holly Marosites spoke with John Crumpton regarding the logo for the Kiwanis sign and she is calling him tomorrow to get finalization. Mr. Czar added that the splash of color sets the sign off. Mayor Mann stated that Second Century developed that logo.

The StreetFest is Saturday, April 13, Downtown Sanford. Council needs to meet at center stage at 11:45 A.M. Fireworks will be that night.

**Adjournment**
Council Member Byron Buckels made the motion to adjourn. Seconded by Council Member Norman Charles Post III, the motion carried unanimously.