The City Council met at the Sanford Municipal Center, 225 E. Weatherspoon Street, on Tuesday, June 4, 2019, at 6 p.m., in Council Chambers. The following people were present:

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

Council Member James Williams
Council Member Sam Gaskins
Council Member Norman Charles Post, III
Deputy City Clerk Vicki Cannady
City Attorney Susan Patterson

Absent:
Mayor Pro Tem Rebecca Wyhof Salmon
Council Member Charles Taylor

CALL TO ORDER
Mayor Mann called the meeting to order. Mayor Mann called for a Moment of Silence to pay tribute to the fallen Municipal Public Works employees of Virginia Beach. The Pledge of Allegiance was recited.

PUBLIC COMMENT – (Exhibit A)
Irene Smith, residing at 547 W. Weatherspoon Street, stated that she has served on the Public Arts Committee since its inception. A new mural was dedicated last Saturday and a beautiful sculpture “Growing Volunteers” was dedicated in Depot Park a few weeks ago. She praised Mayor Chet Mann for his vision and leadership down this path of mural arts and Council Members for their support of the program. Ms. Smith praised Planner II Elizabeth Whitmore on her creative artistic talent in the public arts program. There are twelve more projects in the pipeline.

APPROVAL OF AGENDA
Mayor Mann stated that Council needs to remove the Closed Session from Other Business. Council Member Gaskins made the motion to approve the agenda as amended. Seconded by Council Member Buckels, the motion carried unanimously.

CONSENT AGENDA
Approval of Certificate of Sufficiency for Voluntary Annexation – Schoolhouse Sanford, LLC – (Exhibit B)
Council Member Buckels made the motion to approve the consent agenda. Seconded by Council Member Gaskins, the motion carried unanimously.

SPECIAL AGENDA
Presentation of Exceptional Service Awards for Participation in Block Party for Sponsor, Group, Adult and Youth Volunteers
Mayor Mann stated that Community Development Manager Karen Kennedy leads the Block Party project every year. It is very rewarding to see all the volunteers who work so hard on other residential properties to improve them and to come together in fellowship. Mayor Mann acknowledged and recognized the lead groups which were Trinity United Methodist Church with Pastor Bruce Petty; Jonesboro United Methodist Church with Reverend Andy Woodhouse and Bill
Huggins as the lead. Mr. Huggins is an integral part of the Sanford Block Party every year. There were many local businesses and sponsors who donated products, monies, and materials. There were at least 210 volunteers who signed in on that day.

Mayor Mann recognized and presented awards to Adult Volunteer Nick Anderson, who worked on a house on Charlotte Avenue; the Sponsor award to John Ramsperger, who has been a leader in the Block Party since the events began nine years ago and paid for the tee shirts for the last two years; Volunteer group Jaslyn Walker and the youth volunteers with the Boys and Girls Club and the Lee County High School Skills USA Club. Instructors involved with the Lee County High Schools Skills Club was Gary Hart, Quinlan Henry, Chris Garner and Tony Martin. He praised Karen Kennedy for all the hard work she does in leading this Block Party event each year.

CASES FOR PUBLIC HEARING

Public Hearing on an Economic Development Project Called “Project Overhead” – (Exhibit C)

Management Analyst Holly Marosites stated this project is for the application for a building reuse project for Triad Corrugated Metal, located at 109 McNeill Road, formerly known as the old Whitin Roberts facility. Mayor Mann opened the public hearing. She added that the resolution authorizes the application for the building reuse grant through the Rural Division of the North Carolina Department of Commerce. They intend to invest $300,000 in the eligible building reuse cost and create 17 new jobs. The application is requesting funds in the amount of $85,000 for renovation assistance through the building reuse program. The City will make the application and receive the grant money from the state and the City will in turn pass that along to the company. A local match of $4,250 is required and is provided by the company. If the resolution is approved by Council, the application will be submitted to the Department of Commerce and they will make a decision at a meeting on June 20. If selected, staff will come back before Council with contractual documents for Council to review before we accept the grant. If selected, staff will be using a consultant for the administration of the grant. SAGA Economic Development Executive Director Bob Joyce was present to answer any questions regarding the project.

Bob Joyce stated the Sanford Area Growth Alliance (SAGA) is in support of the project and the application. Triad Corrugated Metal, Inc. is a small business and employs 76 employees in Asheboro, Hickory and Asheville. They make metal siding for roofs and building skin. They are a growing business and we are pleased they have selected to rehab this building. Triad Corrugated Metal will create 17 jobs over the next eighteen months. Mr. Williams asked who pays for the consultant. Ms. Marosites replied the City of Sanford will pay $8,500 to the consultant. With no one else requesting to speak. The public hearing was closed.

- Consider Adoption of Authorizing Resolution by the City of Sanford – Building Reuse Grants Program – Vacant Building Category – (Exhibit D)

Council Member Post made the motion to adopt the Authorizing Resolution by the City of Sanford. Seconded by Council Member Williams, the motion carried unanimously.

Public Hearing on Application by Schoolhouse Sanford LLC to Extend Corporate Limits – (Exhibit E)

Senior Long-Range Planner David Montgomery explained that the public hearing is on an application by Schoolhouse Sanford LLC to extend the corporate limits to Schoolhouse Sanford LLC, of Salt Lake City, Utah, better known as Ascend Academy. Mayor Mann opened the public hearing.
The City received the petition on February 12, 2019 for annexation of 22.98 acres more or less of land located in the corner of Highway 87 and Harvey Faulk Road. The property is the location of the Ascend Charter School. Notice of the public hearing was given by publication in the Sanford Herald on May 24, 2019. The proposed annexation would be contiguous by nature to its proximity of a 44.28-acre tract across Harvey Faulk Road where Kempsville Building Materials is located. The proposed area for annexation is identified in the Future Land Use Plan as Mixed-Use Activity Center Place Type, which is typically located in close proximity to highway interchanges and major arterials and designed to facilitate development of large-scale integrated mix of uses. Therefore, the current use as a school is in conformance with the Future Land Use Plan, as civic uses such as schools are encouraged. The annexation lies in the Carolina Trace Rural Fire Protection District. The City is required to pay annually a proportionate share of any payments due on any debt relating to the facilities or equipment of the rural fire department, if the debt was existing at the time of submission of the petition for annexation to the City. The assessed value of the area to be annexed is $1,940,600 and the Lee County Tax Office shows the total assessed valuation for the Carolina Trace Rural Fire Protection District area to be $410,299,800 as of 2019. City services will be extended to the new area, if it is annexed. The site currently has public water and will be served by public sewer after annexation. Any or all utility extensions will need to be reviewed and approved by the City of Sanford Public Works Department to verify compliance with all applicable regulations. The City Fire Department will provide service to the annexation from Station #2 at 2220 Woodland Avenue, approximately 3.1 miles from the property with an estimated response time of nine minutes.

Justin Smith, residing in Apex, North Carolina, representing Ascend Leadership Academy spoke in favor of annexing this property. He is the managing director at Ascend. They are the only Charter School in Lee County and are currently serving 161 sixth and seventh grade students. Next year they will grow to 320 students serving 6th, 7th, 8th and 9th grades and will continue to grow. Their five-year plan is to be a 6-12 grade school, serving about 560 students. A part of that growth will involve the annexation of this property into the City.

Richard Moss, representing Schoolhouse Sanford LLC, and residing at 4408 East Ridgewood Lane, Gilbert, Arizona spoke in favor of the annexation. He noted that they are happy to be a part of the community with Ascend Academy. Right now, as a County, Ascend is a special use zoning classification and after meeting with City staff, it was requested that they keep that same zoning classification if the petition for annexation is accepted. They will continue to have meetings with their neighbors because they want to be a valuable asset to the community and their neighbors.

With no one else requesting to speak, Mayor Mann closed the public hearing.

- Consider Ordinance to Extend Corporate Limits of the City of Sanford to Schoolhouse Sanford LLC — (Exhibit F)
  Council Member Haire made the motion to adopt the Ordinance to Extend the Corporate Limits of the City of Sanford. Seconded by Council Member Buckels, the motion carried unanimously.

Public Hearing on Proposed Annual Operating Budget for the City of Sanford for Fiscal Year 2019-2020 - (Exhibits G & H)
City Manager Hegwer stated that the public hearing is being held on the proposed annual operating budget for the City for Fiscal Year 2019-2020. Mayor Mann opened the public hearing.
Mr. Hegwer advised that the budget is comprised of three sections consisting of the General Fund in the amount of $33,207,674; it includes a tax rate of $.60 which is derived from the revenue neutral 59.8 cent tax rate, rounded up to the nearest penny. It includes a sanitation fee increase of $45 per household per year. The second section of the budget is the Enterprise Fund in the amount of $23,112,995, which includes a user fee increase of 3 percent for our water and 3 percent for our sewer service. The third section of the budget is the Municipal Service District in the amount of $163,928. It sets the tax rate of 11 cents which is an adjustment from revenue neutral tax rate of 9.2 cents; a 1.8 cent adjustment. This was discussed in the budget workshop and the recommendation from DSI was to adjust the tax rate to 11 cents from revenue neutral. The City’s budget totals $56,484,597.

A workshop was held on May 29 with Council and there was a difference in what was originally presented as shown on Exhibit G. He explained the differences that would impact the budget and stated that the County (at this point) does not have funding for the Homelessness initiative and the UDO Study in its budget. County Manager John Crumpton will present this item to the County Commissioners at its next meeting on June 17. His recommendation is that while it does not appear that these two items will be funded by the County, we can address them in the future from contingency. They are included in the budget as an expense but no revenue to offset it. There is no problem with approving the budget the way it is now. There is a $18,165 increase in the Municipal Service District budget primarily due to the Entrepreneurial Grant. The City is contributing $10,000 towards the Entrepreneurial Grant. This is not a complex budget and staff tried to accommodate the requests by Council.

Mayor Mann said that it is a straight forward budget. There is no fluff in the budget with money being spent. He appealed to Lee County Commissioner Kirk Smith (who was in the audience) to consider the Homelessness Initiative and UDO Study in the County’s budget. He stated that the homelessness initiative is a city-county issue. We have a couple of hundred children in the Lee County School system that are considered homeless. The Social Services aspect of homelessness is a city and county-wide impact. He would love to see some reconsideration from the County regarding this issue. There is a commissioner on the S3 Task Force; over 40 people attend the S3 Connect Homelessness meetings and have worked hard to make an impact. We are working to relieve the stress on the Lee County Library with the homeless. Representative John Sauls was able to get the City $57,000 to help with the homelessness initiative. Mayor Mann added that the UDO Study would affect the City and the County with the development in and around the airport and the northern section being developed.

Council Member Gaskins thanked staff for the work they did on the budget.

No one spoke in favor or in opposition of the budget. The public hearing was closed.

- **Consider Annual Budget Ordinance for Fiscal Year 2019-2020 – (Exhibit H)** Council Member Post made the motion to adopt the Annual Budget Ordinance for Fiscal Year 2019-2020. Council Member Post added that the budget includes a 2 percent cost-of-living raise for the employees. Seconded by Council Member Gaskins, the motion carried unanimously.

**DECISIONS ON PUBLIC HEARINGS**
There were no decisions on public hearings.
REGULAR AGENDA

There were no items on the regular agenda.

NEW BUSINESS (Items for discussion and action will only be taken if necessary. Otherwise, these items will be placed on the next agenda for approval).

Consider Nomination of the Sanford Tobacco Company Redrying Plant and Warehouse to the National Register of Historic Places – (Exhibit I)

Senior Long-Range Planner David Montgomery noted that staff is seeking Council’s approval of the nomination of the Sanford Tobacco Company Redrying Plant and Warehouse located at (521 Wicker St.) to the national Register of Historic Places. All Certified Local Governments, which Sanford is one, require participation in the process of nominating properties, both by the local Historic Preservation Commission (HPC) and the governing body. In this instance, the recommendation of the nomination is for an individually listed property as opposed to a district. All comments from the HPC and City Council on the nomination are due June 12, 2019. At the Sanford HPC meeting on May 20, 2019, a public hearing was held and following the public hearing and report, the HPC recommended approval of submitting the property to the Register of Historic Places. Regardless of Council’s decision tonight, the North Carolina National Register Advisory Committee will meet on June 13, 2019 to determine its recommendation and submit it to the National Park Service for final review and listing. The nomination form was completed by a professional private consultant, “h mwPreservation” and was funded by Downtown Sanford Inc. The property is being submitted for its local agricultural significance. According to the report, the Sanford Tobacco Company Redrying Plant and Warehouse is the largest and most impressive warehouse remaining from Sanford’s twentieth century tobacco industry. The Redrying Plant was the first of its kind in Sanford. The building is located on a 3.5-acre portion of a large six-acre parcel. The ones in consideration are A, B and C as shown on the map. It was constructed in three phases, it includes a one-story 1947 building to the east, a two-story 1951 addition to the west, and a 1961-65 addition at the rear. All the other buildings on the property have either been significantly altered or are too modern for the period of significance from 1947 to 1975. The building currently stands vacant. If placed on the National Register, it is an honor signifying its importance to the community. However, property owners are not required to make improvements as a result of the designation. Only when property owners want to take advantage of the federal tax credits (which is up to 20 percent) and state tax credits that there is a process that a property owner has to go through to take advantage of the credits. Any properties within the vicinity of federal undertakings are subject to review as well. If there is a road project that will be federally funded, they are going to take into consideration this project that is listed on the National Register and there may be some mitigating circumstances we need to do.

Mayor Mann clarified that if the buyer does not take advantage of the tax credits, the buyer can do what he wants with the property. Mr. Montgomery replied that it has to follow all zoning and building permit requirements. Mayor Mann added that the property owner can demolish it if they so choose.

Council Member Gaskins made the motion to approve the nomination of the Sanford Tobacco Company. Seconded by Council Member Post, the motion was approved unanimously.

Consider Capital Project Ordinance Amendment – Parks and Recreation Project B1602 – (Exhibit J)

Financial Services Director Beth Kelly explained that staff priced the General Obligation Bonds on May 14 and we closed on the bonds today. This amendment will appropriate $2 million
in bond proceeds for our Series 2019 General Obligation Bonds and appropriate $161,403 of Bond Premiums that we will receive and this will be appropriated into the project of which $2 million (which was fronted) will be transferred back to the General Fund for the Parks and Recreation Project and the balance will go towards the construction project.

Council Member Buckels made the motion to adopt the Capital Project Ordinance Amendment. Seconded by Council Member Post, the motion carried unanimously.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2018-2019—Reimburse City – Park Bond Project – (Exhibit K)

Financial Services Director Beth Kelly explained that the ordinance amendment is the operating budget side of the project; it shows the transfer of $2 million coming back from the Capital Project and appropriated into Fund Balance. Council Member Post made the motion to adopt the Ordinance Amending the Annual Operating Budget. Seconded by Council Member Gaskins, the motion carried unanimously.

Mrs. Kelly announced that we priced the revenue bonds last Thursday and we were scheduled to close on the Revenue Bonds of $13.5 million for four projects: Moncure Megasite, Amos Bridges Road, Hawkins Avenue Waterline Extension and a portion of the airport match for us and then we refunded the balance of the 2010 Series of bonds we issued for WWTP expansion. We ended up pricing out and getting a true interest cost of about 2.35 percent. We are scheduled to close on that bond on June 13, 2019; this ended up giving us a savings on the refunding portion for the remainder of the life of that which is 15 years left of approximately $200,000 on our annual debt payment by refunding it. Our GO Bond rating for Fitch was upgraded a few years ago, but Moody has upgraded us as well. The upgrade is important because it allows us to get better interest rates because of how they are able to sell the bonds; it saves the City money.

Mayor Mann and Mr. Hegwer thanked the Finance Department for all their work on the bonds because it is a tremendous amount of work and saves the City money.

OTHER BUSINESS

City Attorney Susan Patterson informed Council that local House Bill 285 started in the House and met crossover and went to the Senate. It was stuck in the Senate Rules Committee; it has come out and gone to the State and Local Government Committee in the Senate. The Senate Committee reported it favorably but changed it by adding an amendment so that it applies to City of Sanford and the Town of Beaufort. From that committee, it will go to the Finance Committee and if it comes out of there favorably, it will go to the Rules Committee again, comes out of it and goes to the Floor of the Senate for a vote. Then it has to go back to the House and be voted on again because they changed the content of it.

Mr. Hegwer thanked staff and Council for all the work on the budget.

Mayor Mann noted that we have some vacancies on our Boards and Commissions and appointments will be made on June 18. He noted that since we had great improvement in property values and expanded the tax rate, the City was able to reduce the tax rate tonight. We are having some tremendous projects being discussed and talking with a lot of companies. Because of Council’s agenda, we are having a lot of activity and growth.
CLOSED SESSION
This item was removed from the agenda.

ADJOURNMENT
Council Member Buckels made the motion to adjourn the meeting; seconded by Council Member Post, the motion carried unanimously.

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

Respectfully Submitted,

T. CHET MANN, MAYOR

ATTEST:
Bonnie Davis
BONNIE DAVIS, CITY CLERK