

SANFORD CITY COUNCIL
BUDGET WORK SESSION
Tuesday, June 2, 2020
Sanford Public Works Service Center
601 S. Fifth Street, Sanford, NC

The City Council held a work session on Tuesday, June 2, 2020, at 4:00 p.m. in the Assembly Room of the Public Works Service Center. The following people were present:

Mayor Chet Mann	Council Member James Williams
Mayor Pro Tem Byron Buckels	Council Member Jimmy Haire
Council Member Sam Gaskins	Council Member Norman Charles Post III (4:20 p.m.)
Council Member Rebecca Wyhof Salmon	City Manager Hal Hegwer
City Clerk Bonnie Davis	City Attorney Susan Patterson
Management Analyst Holly Marosites	Deputy City Clerk Vicki Cannady
Financial Services Director Beth Kelly	Senior Budget Analyst Cindy O'Quinn

Absent:

Council Member Charles Taylor

Mayor Mann called the budget work session to order.

Financial Services Director Beth Kelly explained the responses to questions from the budget work session held on May 26, 2020, as listed on Exhibit A. There will be a debt payment estimated between \$250,000 and \$550,000, depending on how many years the loan is financed for rolling stock. This figure is based on a conservative estimate of 2 percent interest rate. Sanitation fees were increased to \$310 per household (a \$40 increase).

In the agreement with the ABC Board, they are required to pay the City \$160,000 annually; however, they have given us at least \$50,000 extra for the prior two years and an extra \$100,000 three years ago.

Public Works Director Vic Czar explained that staff is looking at a knuckleboom truck that is an all-weather unit, without a crow's nest, bigger cab and balanced bed length. An employee can go from the driver's seat to the rear and run it with the camera; there is also less exposure on workers' comp issues. Some capacity is lost in the bed, but overall, it is a huge plus. Mr. Hegwer added that safety is paramount and we are trying to protect the employees.

Mayor Mann asked about the work being done at the front of City Hall with the store front glass. Facilities/Beautification Administrator Kris Fumage replied that the seals at the main entrance of City Hall are being replaced because they are dry rotted and broken.

Financial Services Director Beth Kelly explained that the City has spent \$10,962 through May 22, 2020 for COVID related sanitization and they estimate a cost of \$35,605 through December 2020.

Management Analyst Holly Marosites summarized the responses (Exhibit B) to Council Member Jimmy Haire's questions he had regarding the budget and additional items. Attorney Patterson has reached out to the Lee County Public Information Officer who contacted the governor's office regarding yard sales.

Regarding 211, when a call is placed to 211, staff cannot disclose whether the Outreach Mission Incorporated (OMI) is full or not; OMI must be contacted for that information.

Mrs. Kelly explained the revised budget with changes requested by Council (Exhibit C). The budget ordinance presented to Council at the workshop did not contain two changes staff made today. Changes were made to the compost facility schedule to include verbiage as follows: Delivery fee may fluctuate due to demand and/or availability. The second change is the fire nuisance alarm violation fees. Staff is recommending that all nuisance alarm fees be waived until January 1, 2021, with no charges from July 1, 2020 through December 2020. Mr. Hegwer stated that with so much going on during the pandemic, we do not want to overburden nursing homes; we want to make sure they are focusing on the elderly. Mayor Mann noted that some of the alarms from nursing home facilities/assisted living are due to fire alarms in kitchens. Verbiage included in the ordinance reads as follows: Life safety violations include each locked, blocked or otherwise impeded means of egress; any deficiencies or impairments in any fire suppression, detection and or notification devices and or systems; or any other violation that in the opinion of the Fire Code Official may be harmful to any building occupant including, but not limited to, overcrowding above the legal capacity.

Mr. Hegwer addressed the matter of giving City employees a raise. Staff stated that one of the reasons they did not recommend giving a raise now is because of the uncertainty going forward. They do not have a good feel for revenues and how they will come in because of the process through which these figures are tallied and sales tax revenue is distributed to the City, and we won't know the impact of this loss for several months. Other revenues, such as those received from utility services, may also be negatively impacted but he feels that things will get better over time. Council Member Gaskins added that sales tax is down seven percent and Lee County was down seven percent for March. He feels comfortable waiting until October to see how revenues come in and expressed concern that COVID may return and businesses may have to shut down again.

Council Member Williams felt the city employees should get a two percent raise. He added that surrounding counties are paying their employees, especially police officers, more money and if we get behind, we will never catch up. Mayor Pro Tem Buckels and Council Member Post expressed that they also would like to see employees get a raise. Council Members Salmon and Gaskins also would like to see a raise; however, they would like to wait three months to see how revenues come in and then reconsider the issue. Council discussed the matter at length and Financial Services Beth Kelly explained how it could affect the Fund Balance

Mr. Hegwer stated that he will convey the message to the employees in a memo explaining the situation.

Mayor Mann noted that we need to be mindful of revenues until we return to a normal economy.

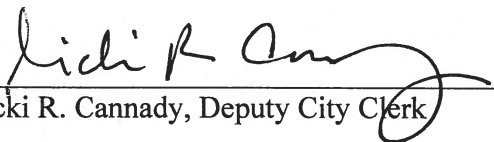
Adjournment

Council Member Sam Gaskins made the motion to adjourn. Seconded by Council Member Rebecca Salmon, the motion carried unanimously.

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



T. Chet Mann, Mayor



Vicki R. Cannady, Deputy City Clerk