

MINUTES OF MEETING OF THE
CITY COUNCIL OF THE CITY OF SANFORD
SANFORD, NORTH CAROLINA

The City Council met at the Sanford Municipal Center, 225 E. Weatherspoon Street, on Wednesday, June 8, 2011 at 1:00 P.M. for a budget session. The following people were present:

Mayor Cornelia P. Olive	Council Member James Williams.
Mayor Pro Tem Sam Gaskins	Council Member Bob Brown
Council Member L. I. "Poly" Cohen	Council Member Linwood Mann
City Manager Hal Hegwer	Council Member Charles Taylor
City Attorney Susan Patterson	Deputy City Clerk Janice Cox

Absent:

Council Member Walter McNeil, Jr.
City Clerk Bonnie D. White

Mayor Cornelia P. Olive called the meeting to order.

Budget Workshop

Mayor Olive stated that in reviewing the budget, Council had gotten to Page 43 in the last budget workshop. She instructed Council that if they had a question on a certain page in chronology, to say so and they would go to that page; otherwise, they would not go page by page. She asked for specific questions after page 43.

Council Member Charles Taylor asked for additional information on staffing for Historic Preservation, Page 44. He said he would hold the question until they reached that section.

Council Member Charles Taylor asked for an explanation on the Park Revenue on Page 48. Financial Services Director Melissa Cardinali answered that it was for parking leases Downtown has with downtown lots.

Mayor Olive asked City Manager Hal Hegwer if the allotment for any type of promotion would be under Governing Body. Mr. Hegwer stated that it depends. Some money has been budgeted this year, and in the proposed budget there are some dollars for a marketing effort for the City. It is located in Advertising under Governing Body on Page 66. Council Member Taylor stated that he knew we had had some conversations in the past about a Public Information Officer and inquired if there was any thought process for that position as the budget was prepared. Mr. Hegwer replied that he had looked at it and talked with Mr. Taylor and other board members about what the benefits would be for that position. He feels it would be favorable, but in this budget there is an effort not to add additional employees in order to keep recurring costs down. He felt the IT staff could be more heavily involved with some work with our television station. Mayor Olive added they could be involved in grant writing, as well. Mr. Hegwer felt there was some likelihood they would see that position next year. Mr. Taylor stated that such a position would essentially pay for itself when it comes to marketing this community;

working with EDC; working with Latino population; working with our different departments; getting the word out; promoting our town; working hand-in-hand with the Chamber; and working with communications. He felt that it could have been utilized during the recent tornado, as the County led the efforts from the communications' standpoint. Mr. Taylor stated that it could be an outstanding vehicle, if positioned properly, for a good internship for a student. He would like to see some money allocated for that type of position, even with the social media aspects of promoting our community. He stated that we are way behind compared to other communities our size.

Mayor Olive asked what kind of money he was talking about. Mr. Taylor stated that probably under \$25,000 if you get a journalism major to do a one-year paid internship. Mayor Olive suggested getting a political science or government major which would be a way to take advantage of a grant-writing person, too. Mr. Taylor stated it would help citizens understand better how government works and to disseminate information in a digestible form for the ordinary citizen to understand. Council Member Cohen agreed it was a good idea. Mr. Hegwer stated there was a need for such a position, but he was working on holding down expenses on personnel until next year. A lot of cities of our size have someone in that position.

Mayor Olive asked council how they wanted to proceed. Council Member Cohen stated this year, but not part time. Mr. Hegwer stated if the interest was there, they could look at it and come back with additional information. Mr. Taylor stated that there had been job listings in the League newsletter, so the criteria these municipalities expect are available that can be used. He feels it would be a great opportunity for someone to put together a marketing plan for us; deal with social media; and increase communication through our media outlets.

Council Member Brown stated that he thought it would cost between \$75,000 and \$100,000 including benefits. Mayor Olive stated she believed someone could be hired for \$40,000 not counting benefits. Mr. Hegwer stated that, ideally, it would be a position to work in conjunction with IT. He advised that some room was left in the original budget presented, but things were added such as the skate park. He asked for time to turn the numbers and see if these things can work within the budget. Council may have to make priorities. Mr. Hegwer stated it was a good idea and he is open to anything.

Council Member Brown suggested just to get it in the budget, to go ahead and put the \$25,000 in and work from there. Council Member Taylor suggested looking at other municipalities and seeing what they have allocated for those positions and what their responsibilities are. Mayor Olive stated that Council needs to hear what the City Manager is saying that we are in a position in the budget that will be difficult to do what Council has asked him to do now. Mayor Pro Tem Gaskins stated that he is for keeping it in the \$25,000- \$30,000 range with an intern or temporary employee. He would not want to go up to a full-time employee at this time. He feels the departments have made tremendous strides in trimming the budget. As the economy comes back, he would like to have that, noting that we could have used it for the tornado and for the big weekend with all the events going on. He feels the need is there.

Council Member Williams stated that he was concentrating on the need for another fire station. He noticed a \$250,000 item in the budget for land acquisition which was not approved by manager and staff. Looking down the road, with the growth on the south side, we will eventually need a fire station on that end. He inquired how much land was needed. Mr. Hegwer stated that not a lot of acreage would be needed. The major cost will be personnel costs — probably \$700,000 to \$800,000 just for those fifteen fire fighters. The interest was in finding and acquiring the property now to be ready. The growth has slowed down in that area. He stated there were equipment needs, too. The land would be expensive in that Highway 87 corridor.

Mayor Olive asked Mr. Williams his thoughts about a public information officer. He stated he would go along with whatever she recommended. Mr. Hegwer stated that Council members had brought other concerns to him and he has looked further into the budget. He would like to get everybody's wishes in and get the budget to where it is something everyone can feel good about.

Mr. Hegwer stated that the funding for the marketing initiative is listed in the budget under advertising at \$29,000. In this year's budget, there was \$15,000. In 2010, we only spent \$7,000. The jump from \$7,000 to \$29,000 was for that initiative, hoping we would not need that additional \$15,000, leaving the marketing effort in the \$29,000 number. Mrs. Cardinali stated that about \$9,000 was for National Night Out. Mr. Hegwer stated that he felt there was enough money in the budget this year for the rack cards and some promotional materials, and hopefully we would need a little less next year.

Council Member Gaskins stated that under Governing Body, Dues and Subscriptions took a big leap last year and asked the reason. Mrs. Cardinali stated this was run through a procurement card and that information would have to be pulled. Mr. Hegwer pointed out that the increase in Miscellaneous is due to the possibility of changes resulting from the election for items such as pictures, nameplates, and Bibles. Mr. Gaskins questioned the amount in Professional Services, stating that last year it was only about \$4,400 and this year \$12,000 and next year \$11,000. Mrs. Cardinali stated \$5,000 is for Triangle J Cable Consortium for the professional who helps us with our cable and telecommunications advice. Also, the codification of ordinances is done through there, so the figure will fluctuate with the number of ordinances.

Council Member Charles Taylor referred to Page 55 and asked for an explanation of the second and third items and the basis for the manager's recommendations for next year. Mrs. Cardinali stated the figures were based on current play. She explained that the 2011 numbers are not for a complete year. Currently, we are already way ahead of the prior year, 2010, primarily due to weather. That is why the numbers appear to be "all over the place." If play continues and the weather holds, there is no reason for the golf pro to think that our revenue would fall off. We have a steady stream of customers even from surrounding counties because they can play more affordably in Sanford than they can in their own counties. Mr. Hegwer stated that the golf pro is seeing a slight increase in the customer base and in the rounds played.

Mr. Taylor asked, based on straight-lining it for the rest of the year, if we will meet that \$220,000 and \$173,000 numbers. Mrs. Cardinali stated that at the rate we are going, we will probably meet those numbers; we believe those are good projections. Considering all this,

Mayor Olive asked if, in the foreseeable future, the Golf Course could become self-supporting. Mrs. Cardinali stated there was a good chance it could if all those factors come together at the same time. Mr. Hegwer stated that there is some debt service that will drop off this year in the range of \$60,000-\$70,000. He stated that it is hard for the fees to cover any substantial improvements to the course. Weather is an important factor. Mr. Hegwer stated that the golf pro indicated that by the end of May, he was already where he needed to be at the end of the year to meet his budget. Mr. Hegwer stated that when new carts come in, we might want to consider a slight increase in our cart fees. Cart fees are listed on Page 36. Cart fees have been increased some years, and not others. Mayor Olive asked about cart fees at other local golf courses. Mr. Hegwer said there is nothing to compare to, but he has not looked at theirs recently; he believes we are close in the range of other courses. He stated that we need to be careful not to price ourselves out of our market, but stay prudent with that fee. He stated that he could get the golf pro to come to a Law & Finance meeting to discuss these things. Mayor Olive stated that she thought that was needed for every department and then maybe Council would not have the scope of questions they have now. Mr. Hegwer stated that he does have the rates that go back to 2006-2007 and he would make those available for Council.

Council Member Taylor stated that he asked for Exhibit D because our membership rounds account for 35 percent of the golf course usage. We have no rate structure that will take into account out-of-county play or non-residential play. He stated that he likes the golf course and is supportive of the golf course and likes it in his ward, but that he feels it needs to be a fluid business. If we are pricing ourselves too competitively that other people come out of the county to play and if they are paying the same fee structure as a citizen is paying, he has a problem with it. Council Member Cohen asked if the membership was for county and city residents or just city. Mr. Hegwer stated that there is a corporate membership and an individual membership with no difference between city and county. Mr. Cohen said the City was paying for it and we need to think about that, too. Mr. Hegwer added that he thought a lot of people played because they can get on the course and play and finish in a reasonable time. People can drive from somewhere close and play and be home quicker than playing ten minutes from where they live in Raleigh.

Moving to Administration, Council Member Gaskins asked what a 457 expense was. Mr. Hegwer stated he would get him that information. Mr. Gaskins asked about Departmental Supplies. Mr. Hegwer stated there was money in it for a staff computer that needed to be replaced. Going forward, there will be a separate line item for computers.

In Human Resources, Mr. Gaskins asked why the Employee Training had jumped up. Mrs. Cardinali stated they have an employee who is going back to school to finish a degree, and that is part of the tuition reimbursement program. He asked what the Employee Benefits Line was for. Mrs. Cardinali explained for Human Resources it relates to things that are done for employees citywide such as a retirement celebration, awards luncheons, etc. Mrs. Cardinali explained that the Human Resources Director bases the budget on how many employees are eligible for retirement.

Council Member Taylor asked what actual date was meant by "as of 2011." Mrs. Cardinali replied, "May 12, 2011." He stated that from May 12 to June 30, there was 35 percent of our budget to burn. He asked if this is how we start accumulating \$6,000 here, \$8,000 there

and it goes into the Fund Balance. Mrs. Cardinali responded that it will depend on the line and the purpose of that line. For example, on the Employee Benefits line, you could spend 50 percent of it in the first four months, if that is when those retirements occur or the luncheons occur. If twelve retirements were planned, but only six retired, you would have a balance left. Mr. Taylor noted that in Department Supplies, about half of that budget is still left. Mr. Hegwer stated that you would always see something left because you can't overspend. It depends on the situation and some are very hard to predict.

Moving to Risk Management, Mr. Hegwer explained that in Professional Services, the 27.5 percent item is for our drug and alcohol tests for Triangle J. The increase came from Triangle J. We also funded one defibrillator to have here at City Hall.

Council Member Taylor questioned EE Computer Purchase on Page 80. Mr. Hegwer stated that it is the Computer Purchase Program for Employees. Mrs. Cardinali stated that City makes available to all employees who have been here at least one year the opportunity to purchase a personal computer. That is funded through the Finance Department. Accounting-wise, it does not become an expense which is why it shows zero dollars spent out. It is taken into account when reporting to council how much Fund Balance will really be spent. It becomes a receivable. Payments are payroll deducted. Mr. Hegwer stated that employees pay it back so it is a self-perpetuating fund. It has been a very successful program and a great educational tool to help employees become more computer savvy at home. Mayor Olive asked how many employees participate in the program. Mrs. Cardinali stated that depending on the year, as many as forty employees take advantage of it.

Council Member Taylor stated that he had seen cell phones throughout the whole budget and asked how many users we have on cell phones and if there were an audit mechanism in place for usage. He asked if there were individual plans or how it was managed. Mrs. Cardinali explained that in this department they are reimbursed for using their personal cell phones for business. When you see the cell phone line in the budget, it will depend on the department as to whether they actually have a city-provided cell phone and plan or whether it is a stipend. The stipend (reimbursement) is a small amount not meant to pay for their individual phones. Mr. Hegwer stated the Police Department and Public Works have a specific plan. There is a government representative we work through, so they are pooled together. Many employees prefer not to have to carry two phones. Mrs. Cardinali stated that the employee stipend is a taxable benefit and employees are taxed on that.

Mayor Olive asked if the content of a cell phone exchange became a public record if someone is being repaid in any way. City Attorney Patterson explained that what makes it public record is whether it is business related, but the cell phone itself is a private cell phone not owned by the government entity and all personal information and personal exchanges on it are private. Mr. Hegwer added that the city-issued cell phones are different and are watched because, as part of the agreement, they are not intended for personal cell phone calls. Mayor Olive asked how they were audited. Mr. Hegwer stated that department heads audit those calls.

Council Member Taylor questioned Contracted Services on Page 84. Mr. Hegwer stated that is a 5 percent vendor inflation cost. There are two contracts. One is a maintenance fee for a

Cisco server that is going to be tied in to the Inspections Department. Mrs. Cardinali stated that it is new-- related to the software that was approved recently by the Board for the Inspections Department to use in their vehicles. Mr. Hegwer stated that Munis licenses and maintenance software contracts are in there. Mrs. Cardinali stated it included a wide-area network update.

Council Member Williams asked for an elaboration of the insurance expense increase. Mr. Hegwer stated that the 9 percent increase is related to being self-insured and we have a stop-loss that we pay for. Our healthcare consultant looked at our experience and claims we paid, and projected that a 9 percent increase would cover us. Broker change saved us money on the administration side, possibly as much as \$20,000. The City covers the employee's cost, but the dependent coverage is all borne by the employee. Mr. Williams wanted to know if the increase was experience related. Mrs. Cardinali stated that it is a combination of experience and the average expected increase in health insurance costs. The national average for healthcare increase is over 10 percent every year. Mr. Williams asked who was doing the projections. Mrs. Cardinali stated that the new firm we have engaged, has an actuarial staff person. The previous company did not.

Council Member Brown asked if the amount of premium the employees pay would increase 9 percent. Mrs. Cardinali responded, "Yes." Mr. Brown stated that if you put the 9 percent together with the cost of living increase, we are talking about the employee making at least 12 percent less this coming year than they made this year. Mr. Brown stated that he had always been an employee advocate and he would like to see us talk about at least one more cent increase for the employee; they would still be 9 percent in the hole. Mr. Hegwer clarified that the 2 percent cost of living adjustment is based on salary, so that increase would not cover the 9 percent increase in the health insurance for dependents. Employees pay nothing for their health insurance, but those with dependent coverage would pay that increase and go backward. Mr. Hegwer stated that he had been asked to find out how much increase would be needed so that no one was going backwards.

Mrs. Cardinali stated that the Family Plan per month is going from \$716 to \$780. The employee child coverage is going from \$283 to \$308. Employee spouse coverage is going from \$468 to \$511. Mr. Hegwer stated he is trying to be cognizant of both sides as some employees do not have children or do not have their children covered here. Mrs. Cardinali stated that HR pulled the records and there are several employees who will be behind. It would appear that no one would be left behind if the cost of living adjustment were 2.75 percent and we asked the increase on employees to be 8.5 percent, which means the City would be assuming the risk for that 0.5 percent on the premium. Mayor Olive asked how giving bonuses instead of increases would affect the insurance. Mrs. Cardinali stated it would depend on the amount of the bonus and would not be recurring, so employees could not count for that in their budget every year. Then, there is the aspect of morale. Mr. Hegwer stated they would be getting behind because a bonus is a one-time thing. Through a cost of living adjustment, you are adding to that salary. Mrs. Cardinali stated that the benefit for a lot of employees on the COLA on the insurance is that they are timed in their paycheck at the same time. If you give them a one-time bonus, they may not necessarily have that when they are ready to pay their insurance. The paycheck is still going to be less. Mr. Hegwer stated that they try to have small COLA increases so that we don't have

people backing up from year to year. The merit system has not been in place for several years, now.

Council Member Taylor stated that we need to look at the people not participating in the insurance pool. Mr. Hegwer stated that about a third of our employees have dependent coverage. Mr. Hegwer stated that next year they may look at changing the plan slightly to offer a two-tier plan. Maybe, if it costs less, more people will be in the pool. Mr. Taylor stated that the young man he talked to who is paying \$780 a month for insurance is basically working for insurance. If there is a way to get that cost reduced to \$650 a month, maybe it would increase the amount of people participating in the pool to two-thirds. Mr. Hegwer stated that is what needs to be done.

Mayor Pro Tem Gaskins stated that Mr. Taylor's point is pertinent; we are trying to adjust everybody's pay to make sure those people who are in the insurance pool are not losing ground. Mr. Hegwer advised that for many years, the City funded dependent coverage, but had phased out of it over time. Mr. Gaskins was interested in knowing how much it would cost for the City to fund 15 percent of dependent coverage. Mr. Williams stated that HR had done a good job as far as health fairs, prevention, etc. but they may need to get a campaign going to encourage employees to join the health pool. Some Council members had questioned putting \$350,000 to a skate park when we could do more for the employees.

Council Member Taylor stated that when you look at offering or promoting a product from within, you have to make sure it is priced competitively enough to entice someone to participate. He struggles with the family aspect of our product. He would like some numbers to show participation of spouse only or families. He thinks the ones being penalized are those carrying family coverage and may have to have a second job. If they have the ability to take insurance at a cheaper rate, they are not going to pay the City \$300 more to have coverage through the City just to be able to participate in the pool. Mr. Hegwer stated that they could look at that. He advised that there are some advantages in going with the City. The payment can be payroll deducted. We need to state our mission. Are we looking after our employee? Does that mean everyone who comes with it? Mr. Cohen expressed that insurance costs are so high today, it is hard to cover the employee, much less help their family. Mr. Mann stated that he would go for 3 percent increase across the board for employees and continue to look for ways to do better, but that will take a lot of time and effort.

Council Member Brown stated that he believed the majority of the one-third who chose to take family coverage are some of the lower paid employees. He stated that really concerns him as they are some of the most dedicated employees we have and are on call twenty-four hours a day, seven days a week in many cases. Mr. Hegwer stated employees across the pay spectrum participate. Mr. Taylor asked if Council could look at an option of keeping the cost of living increase at 2 percent with a provision that we look at an insurance premium payment, as well. He stated that you can give the cost of living raise, and at the end of the day it is not going to increase the participation in the insurance pool. We have to get more participation in the pool to bring the cost down or else it will continue to escalate and you will be faced with the same budget problem year after year.

Mayor Pro Tem Gaskins stated that with Mr. Taylor's suggestion, if someone is making in the range of \$25,000 and you pay 15 percent of that (\$780 premium), that's over a 5.5 percent increase. That's helping the people at the bottom of the pay scale who need it the most and encourages more people to join. He felt it was the way to go.

Mayor Pro Tem Gaskins stated he was curious about what the rentals are under Information Systems Rentals (Page 84) because they have gone up over 100 percent in the past two years. Mrs. Cardinali stated that we need to increase the internet circuit band width and that is part of our remote sites being able to communicate much more effectively with our servers at City Hall. Currently, on the financial systems, we require them to key in any purchase orders remotely. Mr. Hegwer stated the system has become so slow, it is affecting efficiency. This will provide for efficiency. Mrs. Cardinali added that some departments are required to make reports electronically to the state or other agency, and this should help with that, as well.

Before beginning study at Page 88, Mayor Olive announced a ten-minute break. Following the ten-minute break, council resumed its budget workshop. Mayor Olive inquired about Contract Services under Legal Department. City Attorney Patterson explained that these were fees needed to pay professionals and others to achieve our goals. Sometimes we need appraisers or surveyors and sometimes or outside legal help or for expertise in an area or where litigation may be needed to follow through the court system. Mr. Hegwer stated that there are sometimes legal issues associated with some of the boards and commissions and they have night meetings, such as the Housing Board of Appeals, the Planning Board, and Historic Preservation. Attorney Patterson stated that the numbers in the budget from two years ago include expenses for expertise with the Bumble Bee public nuisance action.

Mayor Pro Tem asked about Other Fees. Attorney Patterson replied that those fees are for expenses that are needed beyond the court costs such as demolitions, cost analysis, site testing, appraisals, court fees, etc.

Council Member Taylor asked what impact collective bargaining would have down the road. Attorney Patterson stated that if the federal government determines they are going to mandate collective bargaining either for public safety personnel or other groups, and they mandate that on the states (instead of leaving it as a state's rights determination), it will drastically change the legal departments' focus and budget because training expertise would be needed to deal with the National Labor Relations Board. It would modify the way we would go about dealing with unions in the event that employees chose to become part of the AFL-CIO or other representative unions. Currently, there is a lobbying group representing the Fire Department for union activity; however, under the current the law, we are still unable to collectively bargain with those. There are other public safety areas that also have some representation. It leads to increased litigation over things like paying benefits because collective bargaining is often put in place to speak for a group of employees who are disgruntled or dissatisfied and feel they need a voice to bargain with their employer. Currently, we pride ourselves on having an open-door policy where employees can talk to their supervisors, request things through their manager, and up through the chain of command. In Attorney Patterson's opinion, that access provides a discourse for employees, and in states where union activity has occurred, costs go up because they set minimum fees, benefits, and payments. There is a scale

for employee activity, such as the pay for a bricklayer, etc. At this point the federal government has not been successful in passing the union activity mandate down to the states, but it could come at any point. Mrs. Patterson stated that she had received a little training in that area, but it is not something that she has used on a daily basis because we do not have that for government employees in North Carolina at this point.

Mayor Pro Tem Gaskins inquired about high fuel costs noting that one had jumped 80 percent. Mr. Hegwer stated that they do anticipate increased fuel use in some departments, but most increases are tied directly to major rate increases. Mrs. Cardinali explained that we budgeted \$3.20 for gas and \$3.65 for diesel. This year, we had budgeted \$2.25 for gas which has eaten up a lot of additional revenue this year. If costs are over budgeted, the funds would go back into contingency. It is difficult to estimate. Mrs. Cardinali stated that diesel alone had ranged from \$2.08 to \$3.38 a gallon. About two months ago, Mrs. Cardinali stated that we were \$33,000 behind in gas, and on diesel we were "right on the money." She explained how the estimates are arrived at. Budget Analyst Cindy O'Quinn takes the reports from the fleet maintenance division by department and actually takes the price that is projected by the shop superintendent and applies it to the number of gallons and the mileage they drove in the past year.

Council Member Williams asked about Capital Land on Page 93. Mr. Hegwer stated it was part for Jonesboro parking lot and for a skate park. Mrs. Cardinali and answered it was the purchase of the parking lot in Jonesboro. Mr. Hegwer added that if the appropriation for the skate park is not used this year, it would probably come back next year as a re-appropriation.

Mayor Olive asked how many people are covered in General Services. Mrs. Cardinali stated two. Mayor Olive asked if we paid for their uniforms. Mr. Hegwer stated there is a boot allowance. She questioned dues and subscriptions. Mrs. Cardinali replied AWWA and NC Rural Water Association. These memberships involve continuing education and certifications for employees.

Council Member Williams questioned a machine listed in Central Office. Mrs. Cardinali stated that it was the machine that stuffs vendor and payroll checks and second notices for water bills, etc. automatically into envelopes, and this one is "on its last leg." Mrs. Cardinali stated that in the next couple of weeks, they hope to be on line so that they can send vendor payments electronically, instead of physically cutting checks. Several hundred vendors had expressed interest in that. This will produce less paper. We can receive invoices electronically and our accounts payable person gets those right away.

Mayor Pro Tem Gaskins asked what comprises Rentals. Mrs. Cardinali replied that it was for renting the postage meter.

Regarding General Fund, Council Member Taylor asked for further explanation on the differences between the 2010 Actual to recommendation for next year. He stated that there is a 30 percent difference between what there actually was in 2010 and what is being recommended for 2012. Mr. Hegwer stated that this represents contracts with Lee County such as EDC and incentive payments that fluctuate year to year. Budget Page 104 has a listing of organizations.

Mr. Taylor questioned Contributing Capital. Mr. Hegwer explained that the first one is the actual contractual amount we pay to belong to EDC, based on sales tax distribution. The number under that represents incentive payments. Our Contingency is also budgeted here. The line following Contingency is for when a capital project or grant needs a match.

Council Member Charles Taylor addressed the new cart expenditure. He stated that when this was presented the other day, Mr. Hegwer mentioned that the battery replacement cost was going to be around \$35,000. He stated that there are alternatives out there. He distributed handouts to Council from Modern Battery Solutions. They have a pulse process that essentially costs \$5,000 for this charger. The Department of Defense has used this technology for years. This allows running through a one-hour cycle and works on six, eight, and twelve volt batteries. It could be used in our motor fleet and at the golf course. It will condition between 50 and 80 percent of the existing batteries. Club Corp, one of the top two manufacturers of golf carts, saved over \$6 million last year when they implemented this program. Mr. Taylor stated only one unit would be needed for the whole city, but he would like City to consider two—shop personnel to have one for the motor fleet and one for the golf course. It would give us nine to fourteen month's life on the batteries. You may still have to replace some batteries, but it makes the figure more palatable when you are looking at having to replace \$5,000-\$10,000 in batteries and you get one more year out of it. Mr. Taylor stated that if you do this for four cycles (four years), you will essentially save \$150,000 on what you would have bought in golf carts.

Mayor Olive pointed out that it would save what we are putting in the landfill. Mr. Taylor explained that the process cleans the plates and allows for reconditioning the plates and batteries. It has a significant green effect, as well. The unit will recharge the batteries and identifies the bad batteries that need to be replaced. Mr. Taylor says the process is not well liked by the battery producers because it reduces their market size, but it is a significant savings down the road. Mr. Taylor stated we may still need to allocate something for some battery replacement, but this could reduce the number drastically. Reconditioned batteries are good for 35,000 rounds. This would entail a \$5,000 investment.

Council Member Williams asked if we were replacing the golf carts because of the batteries or because they are just worn out. Mr. Taylor stated that just the battery replacements would cost \$35,000. Mr. Hegwer stated we are in the fourth year with the carts and this is typically the age for parts. He had looked at trying to stretch it out another year, but considered the cost of just replacing the batteries. There are some older carts. The question is how much we want to invest in the old carts. Mr. Hegwer stated they would be happy to look at this and come back with input.

Mr. Taylor stated that looking at the golf course information, 35 percent of played rounds are membership rounds. He asked for a breakdown of how membership fees have been over the last five years. He would also like to look at a structure for out of town or out of county residents. He wanted to know if the metering of the water included the gray water or just City water. Mr. Hegwer referred him to Exhibit F for the potable water use and regular water rate schedule. Exhibit E is the reused water that is applied to the golf course. It is not applied during November through January because of the cost associated with pumping the water, though there is no cost for this water.

Council Member Taylor stated that 30 percent of the golf revenue is generated by the membership. He would like to find out how many members reside in the city limits. He would like to see some tier rates based on residency. He feels we may be underselling our product.

Council Member Gaskins asked why postage had jumped up so much last year and this year. Mrs. Cardinali did not know if there had been tournament mailings or not. He does have golf club mailings for repair, etc.

Council Member Taylor stated he did not want his questions to be viewed as anti-golf course, but felt it should be as profitable as it can be. He would like to see it taken out of the General Fund and placed back in the Enterprise Fund. It should be treated like any other department and accountable in the same manner.

Mayor Olive stated that Council was almost half way through the budget (Page 110) and asked how they wanted to proceed.

RECESS

Council Member Bob Brown made a motion to recess this meeting until Friday, June 10, 2011 at 10:00 A.M. in Council Chambers. Seconded by Council Member James Williams, the motion passed unanimously.

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

Respectfully submitted,

CORNELIA P. OLIVE, MAYOR

ATTEST:

JANICE COX, DEPUTY CITY CLERK