

**CITY OF COLUMBIA CITY COUNCIL
WORK SESSION MINUTES
DECEMBER 18, 2012 – 2:00 P.M.
EAU CLAIRE TOWN HALL
3905 ENSOR AVENUE**



The Columbia City Council met for a Work Session on Tuesday, December 18, 2012 at the Eau Claire Print Building located at 3907 Ensor Avenue, Columbia South Carolina. The Honorable Mayor Stephen K. Benjamin called the meeting to order at 2:13 p.m. The following members of Council were present: The Honorable Sam Davis, The Honorable Leona K. Plough, The Honorable Brian DeQuincey Newman, The Honorable Cameron A. Runyan and The Honorable Moe Baddourah. The Honorable Tameika Isaac Devine arrived at 2:14 p.m. Also present were Mr. Steven A. Gantt, City Manager and Ms. Erika D. Moore, City Clerk. This meeting was advertised in accordance with the Freedom of Information Act.

CITY COUNCIL DISCUSSION / ACTION

1. Approval of the [2013 City Council Meeting Dates](#) – Ms. Erika D. Moore, City Clerk

Upon a motion made by Mr. Newman and seconded by Mr. Baddourah, Council voted unanimously to approve the 2013 City Council Meeting schedule.

- **Ms. Devine arrived at 2:14 p.m.**

2. City of Columbia Monthly Financial Report – Mr. Bill Ellis, Finance Director

Mr. Bill Ellis, Finance Director reported that as of yesterday, the General Fund balance was \$3,399,600. He noted that the balance does not take into consideration the end of month account payables, which are approximately \$2 million. He reported that the inter-fund transfers are \$86,000.00, but that will increase, because all internal transfers haven't been made through November.

Councilor Baddourah asked where the inter-fund transfers come from.

Mr. Bill Ellis, Finance Director said that there are interdepartmental transfers for items like printing expenses and gasoline. He explained that transfers wipe themselves out when combined across the funds. He further explained that a pure transfer is transferring \$4.5 million from water and sewer to the general fund; it doesn't have a reciprocal account to offset it. He believes that all fund transfers for goods and services have been made, but not the transfers for indirect costs.

Mayor Benjamin inquired about healthcare expenses.

Mr. Bill Ellis, Finance Director said that we are short by \$1.2 million; however, we were \$6 million short this time last year. He said that he is waiting until January to make the adjustment for the shortfall in order to see how much the increases will cover.

Mayor Benjamin asked if this could be attributed to the Employee Health Center.

Mr. Bill Ellis, Finance Director said that's possible.

Councilor Plaugh inquired about revenues.

Mr. Bill Ellis, Finance Director said that we are on budget. He said that the Parking Fund had trouble in the past, but it is doing as well as can be expected and better than last year. He said that we are down in revenue from last year; we are doing better this year than last year.

Councilor Plaugh inquired about other expenses.

Mr. Bill Ellis, Finance Director said that other expenses include items other than salaries and benefits. He hopes that the new garage will create new cash flow. He reported that the water and sewer system collected \$54 million versus \$51 million last year; we are \$3.2 million up in revenues. However, there is \$8.9 million in depreciation that hasn't been recorded and \$13.4 million in capital projects that have been awarded. There is a -\$2.1 million variance in water and sewer, but this can be easily made up depending on revenue collections.

Councilor Plaugh asked if the report shows how much has been spent in the CIP.

Mr. Bill Ellis, Finance Director said that the transfer to the capital fund is negated in this report, because it is not an expense on the operating side. He explained that funding for each individual project is transferred once it is approved by City Council.

Councilor Plaugh inquired about funding for projects that have been approved and expended.

Mr. Bill Ellis, Finance Director said the \$13.4 million is part of the projects that have been approved, but have not been set up in the system.

Councilor Plaugh inquired about the \$20 million that's set aside for capital projects. She said that it has to come out of our revenues that are approved here. She noted that \$13 million of that is listed. She inquired about the remaining \$7 million.

Mr. Bill Ellis, Finance Director replied that the other \$7 million will be spent on whatever is approved by City Council next; it's first in, first out.

3. [Transitions Update](#) – Mr. Craig Currey, Chief Executive Officer for Transitions

Mr. Craig Currey, Chief Executive Officer for Transitions reviewed the accomplishments of Transitions from June 11, 2011 to November 29, 2012. He explained that they are a full service operations center. He reported that they are operating at full capacity. There are 260 beds; 160 for men and 100 for women. He reported that 68.1% of the clients are from Richland County. He noted that the city provides \$250,000 annually for security. He requested \$350,000 from the City of Columbia for the next year.

Councilor Devine asked if the security contract is put out to bid and she inquired about the duration of the contract.

Mr. Craig Currey, Chief Executive Officer for Transitions said that they did a bid; it's an annual contract and they could renew it, but there are bid options. He noted that Allied Barton has done a great job and they are reasonably priced. He acknowledged that there are competitors that are similar in price and we will look at that.

Councilor Baddourah said that the contract is set for the whole year and asked why Mr. Currey is asking for more money now.

Mr. Craig Currey, Chief Executive Officer for Transitions said that the city's funding will become available during the summer and that's when they'll start the next security contract. He acknowledged the agencies that partner with Transitions. He noted the difference in costs for a homeless individual to spend the night in the hospital, emergency room and the detention center versus staying at Transitions for \$16 a day. He reviewed the budget for fiscal year 2013, noting that they are hiring clients that have the right temperaments. He announced the receipt of a \$50,000 gift from AgFirst.

Councilor Runyan suggested that Transitions continue to look at diversifying their revenue streams and to increase community support so that their long-term sustainability isn't contingent upon government funding.

Councilor Plaugh sought clarification on the land rental expenses.

Mr. Craig Currey, Chief Executive Officer for Transitions explained that their parking lot is divided into three (3) parcels and there is a long-term lease that they would love to pay off. He noted that this lease was done with the Salvation Army and Transitions inherited it. He added that they do own the building.

Councilor Devine recalled that Council was concerned about security and wanted to ensure that the surrounding neighborhoods, staff and residents were secure; therefore, the City stated in the Memorandum of Understanding (MOU) that the \$250,000 was specifically for security. She said that this also includes the warrants checks and monitoring. She said that Council will look at all of that in the budget. She said that it is important to find ways to work together without compromising the security in and around the facility.

Mr. Craig Currey, Chief Executive Officer for Transitions said that he met with Police Officers to figure out ways to increase security. He said that he signed a document giving the Police Department full jurisdiction in order to address issues on the premises.

Councilor Newman inquired about the smaller percentage of individuals from outside of the state. He asked if there was a trend.

Mr. Craig Currey, Chief Executive Officer for Transitions said that most of the people come from the fourteen (14) counties that are looked at by the Midlands Area Consortium for the Homeless (MACH). He said that out-of-state clients increased by 2% and clients from Richland County decreased by 2% over the last eight (8) months.

Councilor Newman asked Mr. Currey if could gage the impact of Transitions on homelessness.

Mr. Craig Currey, Chief Executive Officer for Transitions said that they provide case management at the Winter Shelter and the numbers at the Winter Shelter are down, because there are 260 people at Transitions. He said that there are 100 people currently in the day center that would otherwise be on the streets. He stated that there is an improvement and they will conduct a point and time count with MACH on January 29, 2013.

Councilor Davis inquired about the number of people that transition back to their home towns.

Mr. Craig Currey, Chief Executive Officer for Transitions said that he doesn't have an exact number, but the very first step is to marry individuals back up with their families. Most of the housing programs are in Richland and Lexington Counties and some of the chronic homeless have been here for years. He estimated that 20% to 30% return home.

Councilor Devine said that there are lots of good pieces that seem to be working together, but the City spends \$1 million a year on homeless services. She said that prior to budget discussions, they need an indication of what everyone is doing; what agencies are transitioning people into permanent housing; what the partners are providing; and where there might be duplication or gaps. She said that we are still seeing an increase in the homeless population that has mental illnesses and we need to see what we can do to wrap our hands around that. She sought a full understanding as to where that population is; what services we are able to help provide; what services the state should be providing; and how that ultimately is affecting our delivery of services to the homeless.

Mr. Craig Currey, Chief Executive Officer for Transitions said that he hasn't seen an increase; it has been consistently bad. He stated that Columbia Area Mental Health has increased their presence at Transitions. He said that if individuals stay on their medicines and remain healthy, other programs can be used to assist them. He noted that 22% to 30% are mental health patients.

Councilor Baddourah asked how many patients were released from the Bull Street Department of Mental Health.

Mr. Craig Currey, Chief Executive Officer for Transitions said that he didn't have a number, but some of those people have walked into Transitions.

Councilor Devine said that we could ask the Department of Mental Health. She noted that there are other mental health facilities like Bryan Psychiatric Hospital on Farrow Road. She stated that when they are homeless there is no one there to remind them to take their meds; that's when it becomes dangerous. She said that MERCI has a great program also, but they are at capacity.

Councilor Runyan recalled an earlier conversation he had with Mr. Currey. He asked if there is an increase that is not being reflected at Transitions, but is being forwarded to the Winter Shelter.

Mr. Craig Currey, Chief Executive Officer for Transitions explained that they do have clients that have been banned from Transitions for acting up, threatening staff or taking drugs again. They are not allowed to come back for a certain period of time and they end up at the shelter. My two (2) caseworkers recognized over half the people at the shelter. They were people that had been banned from the facility. There is a lot of substance abuse and mental health issues down there. It's a problem when they become resistant. He insisted that it's a tough place at the Winter Shelter. He noted that Christ Central is doing a great job cleaning it up, organizing volunteers and creating order; engagement is a tough thing.

Councilor Devine stated that they have seen an increase in mental health patients from last year. She said that there is the ability for mental health court to court order people to take their meds.

Councilor Davis concurred with Ms. Devine. He added that they need case management, if they don't have anything else. There's nothing worse than people with mental challenges being off of their medications; that's the link. No matter where they are, there must be a system to ensure that they have the meds and there's a respectable schedule for those meds. If they don't have anything else, they should have some organized form of case management.

Mr. Craig Currey, Chief Executive Officer for Transitions stated that if you are in the program at Transitions, you do have a case manager, who follows you on meds and report problems to Columbia Area Mental Health, which is onsite.

4. [Greenview Park Swimming Pool Update](#) - Mr. S. Allison Baker, Senior Assistant City Manager

Mr. Jeff Caton, Director of Parks and Recreation provided an overview of the three (3) estimates provided by MB Kahn for the Greenview Park Swimming Pool. The first option is the renovation of the existing facility with modest upgrades to include relining the pool. The estimated cost is \$300,000 with a 4 month construction timeframe. The second option is replacing the existing pool with a new 25 meter pool, a filtration system, a separate facility for the changing and restroom facilities, a bathhouse facility adjoined to the pool, expanding the pool deck, providing additional fencing, landscaping and adding a picnic shelter. The estimated cost is \$1.1 million with a 6 month construction timeframe. The third option is a new 25 meter indoor pool facility at an estimated cost of over \$2.8 million with a 10 month construction timeframe. He noted that additional time will be added to the project due to the procurement process. He added that all associated costs aren't included in the estimates.

Councilor Baddourah asked if the relining of the pool for \$300,000 was out because of DHEC regulations.

Mr. Jeff Caton, Director of Parks and Recreation said no. He explained that there are requirements for two (2) main drains in the pool, which is a new DHEC requirement. It would provide for the granite liner and some improvements interior to the building where the current restroom facilities are. When you change the size of the pool DHEC requires you to increase the size of the restroom and changing facilities based on the Davis Bacon load capacity of the larger pool.

Councilor Davis asked Mr. Baker for a recommendation.

Mr. S. Allison Baker, Senior Assistant City Manager suggested that the existing pool be renovated, due to his experience with recreation and swimming in Columbia along with our financial constraints. He said that a compromise would be the 25 meter expansion of the outdoor pool; however, he would not recommend building another indoor pool in this city.

Councilor Devine asked Mr. Baker to outline the other things that come along with an indoor pool.

Mr. S. Allison Baker, Senior Assistant City Manager distributed an article wherein Spartanburg County recently decided to close an indoor pool due to the ongoing operating and maintenance costs and the need to for upgrades. It's a 25 meter pool; they spend almost \$600,000 in annual operating costs; and they collect \$120,000 in revenue. He explained that the moisture and salt in the air deteriorates the metal and mechanical systems. He insisted that our numbers in terms of swimming participation do not justify another indoor pool. He noted that the scheduling conflicts that occur at the Wellness Center have to do with swim teams and individuals wanting to swim at the same time; we do not have those issues in the summer.

Councilor Plough asked if there is an analysis of the increase in operational and maintenance expenses for the three alternatives.

Mr. S. Allison Baker, Senior Assistant City Manager said that no other cost analysis was done to determine the overall expenses. He said that if the pool is renovated, the expenses will be the same. We said that he pushed the contractor to look at the reuse of space at Greenview Park as the pool is expanded to a 25 meter pool.

Councilor Newman inquired about the use of the Charles R. Drew Wellness Center during the winter months when the pool is closed at Greenview Park.

Mr. S. Allison Baker, Senior Assistant City Manager said that the Greenview Park Swim Team needs a pool year round. He agreed that there are scheduling challenges that we have to address when the pool is closed, but we have been able to manage those challenges.

Councilor Newman reiterated that Mr. Baker's recommendation is to not have two (2) indoor pools in a city of this size.

Mayor Benjamin said that this is good data that they need to digest. He agreed with Mr. Davis' recommendation to go out into the community. He said that the active senior community in Greenview is second to none; their focus on health and wellness is fantastic. He said that we need to find some way to bridge what's going on there now and creating a model. It's time to have extensive dialogue and to put some parameters in place to receive constructive counsel from our staff and community leaders.

Councilor Davis recommended that we formalize a charrette structure to hear from the community. He said that the Greenview Dolphins Swim Team is becoming second to none. He said that they had an education the other night in terms of the origins of some of the issues. He said that a charrette will give us an opportunity to go through the scenarios with them. He wants to keep in mind that they have expressed their desires and he doesn't want to sidestep them.

Councilor Devine concurred with engaging the community, but with factual evidence. She said that Drew started out with redoing the park and it morphed into the Wellness Center. However, there are consequences to having a facility that is different from what the community was used to. She said that they need to make a decision sooner rather than later. She insisted that they needed to be planning and engaging everyone now, if the pool won't be operational during the summer.

Councilor Davis suggested that they schedule a meeting after the holidays.

Mr. S. Allison Baker, Senior Assistant City Manager recalled that he did not recommend an indoor pool at Drew, but it was the will of the community and City Council.

Councilor Davis inquired about a master plan that was done for Greenview Park.

Mr. S. Allison Baker, Senior Assistant City Manager said that there is no master plan, but there was a big planning process for the tennis courts.

5. [Water Rate Discussion](#) – Ms. Melissa Gentry, P.E., Assistant City Manager

Ms. Melissa Gentry, P.E., Assistant City Manager recalled that six (6) different options were presented at the Council Retreat. As part of staff's recommendation, she presented a combination of three (3) of those options. She noted that the impact on revenues would be a reduction of \$3.2 million, which impacts 15,200 commercial customers and 1,300 dual meter customers. She provided Council with customer comparisons and a comparison of the proposed rates to the existing rates. She said that if Council agrees, staff would move forward with a public hearing and first reading on January 8, 2013; second reading on January 15, 2013; and an effective date of February 1, 2013. There are some projects on the books that will help us overcome the loss of revenue. We are in the pilot stage of the automated meter reading project; we will do the evaluation in March; and we fully expect to recommend expanding the project. We also are in the initial stages of developing a Request for Proposals to conduct a customer audit dealing with everything involved with water and sewer customer service to include how to apply for service, the billing process and the structure.

Mr. Steven A. Gantt, City Manager explained that this hasn't been done before and an audit could find additional revenue and errors in our billing software.

Councilor Devine asked if staff anticipates making up the revenue this year and reducing our bond issue based on those things. She also asked if staff anticipates another rate increase in July.

Ms. Melissa Gentry, P.E., Assistant City Manager stated that the rate study did recommend an increase for the next four (4) years. It is a consumption based increase, not a base rate increase, which is not felt as drastically as this particular rate increase was felt. She provided a comparison of the rates prior to July 1st and the current rates. She explained that option one reduces the base rate for all meters 1" and above by 25%. It would affect some residential, but mostly commercial meters. Option four is the water dual meters and eliminates the base rate for the smaller meter. Option five charges the sewer base rate for dual meter customers based on the low side of the dual meter.

Councilor Runyan asked if our bonding capacity would be reduced over the next five years.

Ms. Melissa Gentry, P.E., Assistant City Manager suggested that the consultant look at the recommended increases for next year, if we adopt these new rates.

Councilor Runyan asked if we are able to reduce our project expenditures by 16.3%.

Mr. Steven A. Gantt, City Manager said that we have projects in excess of \$5 million and would have to prioritize the projects as far down the line as we can go.

Councilor Runyan asked if we could extend beyond the five year window.

Mr. Steven A. Gantt, City Manager said that we would have to look at where are we in July with our new budget and have the consultant look at what our capital needs are going to be.

Councilor Runyan said that we are at secular lows for borrowing and construction costs. He said that it will be cheaper to do projects now than it would be five years from now. He added that if we defer this down the road, we are absorbing interest rate risks and construction cost risks that could cost more three (3) years from now.

Mayor Benjamin said that a lot of folks have been caught by surprise with the significant change in the base rate calculation. He asked if we anticipated that the commercial rates would go up so precipitously.

Ms. Melissa Gentry, P.E., Assistant City Manager stated that the consultant did not anticipate the number of large meters with low consumption. A lot of the high percentage increases were because their consumption was low. The increase in the base rate was really felt by them. Other companies that use a large amount of water probably didn't feel it at all.

Mayor Benjamin said that's where we get most of the complaints. Even if we implement options one, four and five, we are still looking at rather precipitous increases for a number of folks. If it wasn't part of their assumption, it certainly wasn't part of our assumption, because they never told us that. That's the consternation. They didn't assume the increase; they didn't assume the large meters with low consumption, but they did assume the revenue coming in to pay for the build out. We wind up with a very ambitious plan to build and rebuild the system. We're telling folks that they have to pay for it, regardless of consumption.

Mr. Steven A. Gantt, City Manager explained that whatever mechanism that was used to set the old base rates had no rhyme or reason to it; there needs to be a correlation between the meter sizes.

Ms. Melissa Gentry, P.E., Assistant City Manager said that the increase in revenue from commercial customers is \$5.3 million, but these recommendations reduce the revenue to \$2.1 million.

Mayor Benjamin said that nowhere in the consultant's presentations was there any inclination that the base rate change would go to 100% of the American Water Works Association (AWWA) standard or that it would have these types of precipitous increases for our rate payers. That leaves us with a significant challenge for a number of people.

Councilor Plaugh said that she understands why they did a comparison against the adopted rate, but the reality is that all of us perceived one thing and when we voted, it ended up being something else. She said that Council is still in that mode of where we were and how we gradually get to where we need to be. She said that moving the base rate so quickly creates significant increases. She can't imagine that a business can tolerate this, long-term.

Councilor Baddourah stated that the other concern is that we need a 7 year plan instead of a 5 year plan. He understands about the bond rating and that it's cheaper to borrow money now. The business owners have communicated to him that an increase in the tap fee by \$300 a month; is like another tax they have to pay to use one drop of water. He said that a 7 year plan would give them some relief and it gives us time to build the system to where it needs to be. He asked if we are looking at that.

Ms. Melissa Gentry, P.E., Assistant City Manager said that we already have a 7 to 10 year plan along with over \$500 million in projects to be built. She reminded everyone that the base rate covers the cost of us putting the pipes in the ground, treating the water and getting the water to that meter. She stated that whether they use water or not there is a base rate associated with that and the base rate is intended to cover those costs.

Mr. Steven A. Gantt, City Manager added that the new rate doesn't cover that complete cost.

Councilor Runyan asked if they tried to find a revenue neutral formula.

Ms. Melissa Gentry, P.E., Assistant City Manager recalled that she was told not to impact the residential customers. She said that our base rate for water includes the first 300 cubic feet of water and we discussed scaling that back.

Pastor Terry Roberts, Trinity Church stated that his church has experienced a 125% increase, which is more than their power bill. He said that they are only paying the base rate and they are required to have a fire suppression system, which requires a larger meter. He noted that as a non-profit, they do not have the option of passing that cost to customers; their only option is to cut back on their ministries. He respectfully requested that Council cut the rate. He added that he and his wife moved into a new house a year ago and they have been billed for water, but not sewer. He reported this to the city, but he's still only paying for sewer.

Ms. Melissa Gentry, P.E., Assistant City Manager said that's an example of why we truly need a customer audit. She stated that if Council would adopt options one, four and five, Mr. Roberts' church will see a \$205 decrease a month without any consumption changes. She sought approval to advertise a public hearing on January 8, 2013 for the rate changes and the new billing would take effect on February 1, 2013.

Mayor Benjamin asked if we can realistically do \$100 million or \$87 million worth of work each year, based on the overall system needs.

Ms. Melissa Gentry, P.E., Assistant City Manager said that we absolutely do.

Mr. Steven A. Gantt, City Manager added that we need \$7 million a year for construction projects, because of the programming, monitoring and reporting as the consent comes down that you agreed to. He said that a team was put together that will be in place for the next 5 to 7 years. That is going to be an annual expense of \$7 million on top of any construction projects; it could run up to \$107 million.

Mayor Benjamin asked what our cash availability is in the system each year, responsibly.

Mr. Bill Ellis, Finance Director stated that he would need to know what the revenue is. He said that we have fund balance, but we've been trying to avoid using it.

Mr. Michael Seezen, Esq., McNair Law Firm stated that cash is key and liquidity is very important to rating agencies, especially now that a lot of folks are funding debt service with reserve funds. The rating agencies are looking to the issuers to make sure they have cash on hand to cover shortfalls and pay debt service rather than money that is set aside from the bond proceeds.

Councilor Baddourah sought clarification of the public hearing timeline.

Ms. Melissa Gentry, P.E., Assistant City Manager reiterated that the public hearing must be advertised fifteen (15) days ahead of time. If the rates are to be effective February 1, 2013, you would need to advertise the Public Hearing by December 24th; hold the public hearing and first reading on January 8th; and give seconding reading on January 15th.

Councilor Baddourah inquired about additional rate increases.

Mr. Steve Gantt, City Manager explained that after we go through the budget process, we will bring back the consultant's recommendation, but it's entirely up to City Council.

Mayor Benjamin clarified that we will have a rate increase every year for the next several years; it will be on consumption and not the base rate.

Ms. Melissa Gentry, P.E., Assistant City Manager said that this is the first time we've structured our rate increase where it changed the base rate.

Councilor Runyan asked if we could phase-in or continue the base rate in future years.

Ms. Melissa Gentry, P.E., Assistant City Manager explained that the water base rate was intended to be set and we took it up to the full AWWA standard. If you reduce it; it will be at 75%. We only took the sewer base rate to 30% of the AWWA standard. She further explained that we used to have a flat sewer rate that was very low and it did not cover costs. We incrementally planned to bump it up and continue to increase it over five (5) years until we hit 100%. We will have an increase for the next four (4) years on the sewer fees.

Mr. Steve Gantt, City Manager explained that there will be incremental increases in the sewer base rate, primarily because the water system supplements the sewer system and the sewer system doesn't generate enough revenue to pay for itself. We are trying to get to a point where the sewer system is self-sustaining and doesn't have to be supplemented by the water system.

Mayor Benjamin said that having a good, solid and reliable base rate is something we would rather have for forecasting purposes. He suggested that they look at a higher rate for consumption spread across all customer categories, even if it's marginally higher; even 2%. He asked if that would give us any relief on increasing the base rate so aggressively.

Ms. Melissa Gentry, P.E., Assistant City Manager said that it should. We would need to consult with Daryll Parker and run the numbers, but it certainly should.

Mayor Benjamin asked if a typical residential customer would see any relief if we lower their base rate.

Ms. Melissa Gentry, P.E., Assistant City Manager said that it was not recommended to be lowered, because it was \$5.84 for customers inside city limits and we increased it to \$6.00; we didn't see the need to lower that for residential customers. It was \$9.45 for customers outside city limits and we increased it to \$10.20. The average increase for a typical residential customer with 800 cubic feet of water was 7.7%.

Mayor Benjamin said that is somewhat predictable, but he asked staff to look at a consumption increase that is higher than 7.7%, but modest and fair across all customer categories that would also provide some relief to these very significant and adversely affected customers on the base rate. He said that this is tough; we sat through discussions, but this hit everybody like a bag of bricks and that's why you'll find hesitancy and consternation every step of the way. We have time constraints and if we are going to do this, we must go ahead and do it.

Ms. Melissa Gentry, P.E., Assistant City Manager said that another option would be to look at the zero to three hundred cubic feet that is currently included in the base rate and scale it back to zero to two or one hundred cubic feet. That is going to hit every customer.

Councilor Devine reminded everyone that when you affect the residential customer, you have those on fixed incomes and we have to look at it very closely.

Councilor Runyan asked when was the last time we looked at the expense side of the equation and the efficiency of our operation.

Mr. Steven A. Gantt, City Manager said that we looked at it during this last budget year and we cut \$4 million out of operations.

Councilor Runyan asked where the \$4 million came from.

Ms. Melissa Gentry, P.E., Assistant City Manager said that it came from the Utilities and Engineering budget for operating costs. She said that they look for efficiencies every single day.

Councilor Runyan expressed interest in seeking additional efficiencies that could be obtained to help offset some of this revenue.

Mr. Steve Gantt, City Manager stated that there will be substantial savings on the expense side for some of the capital expenses that we are hoping to do both now and in the future. He said that we presently spend \$3.2 million hauling our solids to the landfill, but at the end of the day we could have a potential revenue stream, but we have to spend money to get that structure.

Mayor Benjamin recommended that they publish a Public Hearing notice for January 8th with all of the different scenarios that were discussed.

Councilor Devine suggested that they publish the new rates. She asked if the rates can be changed prior to first reading approval.

Mr. Kenneth E. Gaines, Esq., City Attorney said that he would look into that, because some ordinances must remain unchanged between first and second reading.

Ms. Melissa Gentry, P.E., Assistant City Manager said that staff would move forward with publishing [options 1, 4 and 5](#); get clarity on whether or not that can change between readings; and obtain new calculations from the consultant.

EXECUTIVE SESSION

Upon a motion made by Mr. Davis and seconded by Mr. Runyan, Council voted unanimously to go into Executive Session at 4:12 p.m. for the discussion of **Items 6 through 8**.

6. Discussion of negotiations incident to proposed contractual arrangements – *This item was discussed in Executive Session. No action was taken.*
 7. Discussion of discipline of an employee - *This item was discussed in Executive Session. No action was taken.*
 8. Receipt of legal advice which relates to a matter covered by attorney-client privilege - *This item was discussed in Executive Session. No action was taken.*
- **Council adjourned the Work Session at 6:08 p.m.**

Respectfully submitted by:

Erika D. Moore
City Clerk