

**CITY OF COLUMBIA  
CITY COUNCIL  
PUBLIC HEARING & BUDGET WORK SESSION MINUTES  
MAY 13, 2008 - 9:00 A.M. – 5:00 P.M.  
EAU CLAIRE PRINT BUILDING – 3901 ENSOR AVENUE**

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The Columbia City Council held a Public Hearing and a Work Session on Tuesday, May 13, 2008 at the Eau Claire Print Building, 3901 Ensor Avenue, Columbia, South Carolina. The Honorable Mayor Robert D. Coble called the meeting to order at 9:10 a.m. The following members of Council were present: The Honorable E.W. Cromartie, II, The Honorable Anne M. Sinclair, The Honorable Sam Davis, The Honorable Tameika Isaac Devine, The Honorable Daniel J. Rickenmann and The Honorable Kirkman Finlay III. Also present were Mr. Charles P. Austin, Sr., City Manager and Ms. Erika D. Salley, City Clerk.

**PUBLIC HEARING**

1. Ordinance No.: 2008-034 – (*Total Ban*) Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 8, Environmental Health and Sanitation, Article IV, Pollution Control, Division 5, Regulations and Requirements Relating to Smoking of Tobacco Products, Sec. 8-221, Jurisdiction, enforcement and penalties

Ordinance No.: 2008-034 – (*15/85 Ban*) Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 8, Environmental Health and Sanitation, Article IV, Pollution Control, Division 5, Regulations and Requirements Relating to Smoking of Tobacco Products, Sec. 8-221, Jurisdiction, enforcement and penalties

Mayor Coble explained that there are two (2) Ordinances being considered today. The city passed its No-Smoking Ordinance in November 2006, but did not enforce it until the Supreme Court ruled earlier this year. The Supreme Court made a distinction between a criminal penalty and a civil penalty. There is not a lot of difference in terms of the fine, but there is a different way of enforcing the ban; therefore, the city has amended its Ordinance to reflect that it is a civil penalty and not a criminal penalty and we are also considering eliminating the bar ban. It is essentially the same Ordinance adopted in November 2006. The City Council will not vote today. He established a three (3) minute time limit for each speaker. The City Council will approve one (1) version of Ordinance No.: 2008-034 on May 21, 2008 at City Hall, 1737 Main Street.

▪ **Council opened the Public Hearing at 9:12 a.m.**

Mr. Scott Linaberry, 2902 Blossom Street / Vice President of the Five Points Association appeared before the Council in opposition to the ban on behalf of the bars in Five Points and the Vista. He said that this ban will only increase business for bars in Richland County; the bars that don't contribute to the city's Hospitality Tax. He explained that there are different types of licenses from the Department of Revenue and he has a lounge license. He urged the city to ban smoking in all city parks. In closing, he suggested that smoking be banned until 10 p.m.

Mr. William Durkin, 1520 Main Street appeared before the members of Council in opposition to the ban on behalf of Uncle Louies in the Vista, Group Therapy in Five Points, Dr. Rocco's, Chubby's Two by Four, The Tavern on Greene, Jakes, Bar None and Durkins. He has six (6) employees; five (5) of them are smokers and the other chews tobacco. He told the Council that his wife has breast cancer and her doctors warned of three things: a proper diet and exercise are essential; keep alcohol consumption to a minimum; and limit sun exposure. He stated that the doctors have never warned his wife to stay out of his bar. He noted that his wife is in

remission of stage four breast cancer and he would not expose her to unnecessary risks.

Mayor Coble asked Richland County Councilman Joe McEachern to explain Richland County's position on the Smoking Ban.

The Honorable Joe McEachern, Chairman of the Richland County Council, explained that Richland County is considering a full smoking ban and will conduct a Public Hearing on June 3, 2008.

Mayor Coble recognized Mr. Dave Aiken of WOLO TV.

Ms. Lauren Vincent, 500 Gills Creek / South Carolina Tobacco Collaborative and Chair of the Healthy South Carolina Taskforce on Tobacco with the University of South Carolina appeared before the members of Council in support of the ban. She has attended numerous bars in Five Points, but thinks that eliminating bars would be hypocritical of the Council. It would imply that society shouldn't care about the health of bartenders, servers, deejays and citizens. She stated that this is a worker's health issue.

Ms. Gina Lane, 9 Canterbury Court / South Carolina Tobacco Collaborative appeared before the members of Council in support of the ban. She cited a Surgeon General's Report that stated "There are no safe levels of secondhand smoke exposure".

Ms. Sharon Helps, 913 Beltline Boulevard / American Lung Association appeared before the members of Council in support of a total ban. She admitted that she is a former smoker, but she has been smoke-free for 5 ½ years. She has lost family members to lung disease and now she has asthma and allergies; therefore, she knows the consequences of smoking firsthand.

Ms. Sharon Biggers, 1800 St. Julian Place / Director of the Department of Health and Environmental Control (DHEC) Division of Tobacco Prevention and Control appeared before the members of Council in support of the ban. They are a State-Based Comprehensive Tobacco Control Program for South Carolina with mirror programs across the country. She read the following statement from DHEC. "The South Carolina Department of Health and Environmental Control is committed to promoting and protecting the health of the public and environment in the State. In keeping with our vision of healthy people living in healthy communities, the agency strives to seek opportunities confirmed through science and research that meet the agency's mission. Secondhand smoke exposure has been identified as a leading health hazard by the US Surgeon General, US Centers for Disease Control and Prevention and numerous other leading health and environmental groups. In partnership with the Center for Disease Control (CDC), DHEC focuses on the goal of elimination of public exposure to secondhand smoke. DHEC supports efforts to protect all of the state's citizens from the proven dangers of secondhand smoke exposure."

Mr. Tony Snell, 30 Riverview Court / Bar Owner appeared before the members of Council in opposition to the ban, because it will cause businesses to lose revenue and shut down. He said that a smoking ban created a \$27 million negative impact on employment in New York City. He said that drunk driving would increase by 15%. He said that it is his understanding that over the years Nexsen Pruet has done extensive legal work for tobacco companies. He said that this work includes an ongoing relationship with at least one (1) tobacco company and extensive legal work on recent smoking ban litigation in the State of South Carolina. He alleged that the past and present representation by Nexsen Pruet at which the Mayor is partner represents clear and compelling conflict of interest on the part of the Mayor. He asked the Mayor to recuse himself from the debate and consideration of the current issue. He also asked the Mayor to recuse himself from offering the motion.

Mr. Dean Slade, 1010 Tinwood Court appeared before the members of Council in support of the ban. He recalled a time when people smoked everywhere, but we no longer live in that

environment. He said that we need to make decisions that are going to protect our families. He urged the Council to consider the ban.

Rev. Wiley Cooper, 5314 Colonial Drive appeared before the members of Council in support of the ban. He said that the City Council is in a different environment than they were in when they originally passed the Ordinance, with Richland County now moving to enact a 100% Ordinance, thus reducing the flight risk. He said that restaurants that no longer allow smoking are doing well.

Ms. Ellen Thames, 3129 Travis Court appeared before the members of Council in support of the full ban. Her family only goes to smoke-free restaurants, because her two (2) year old son has asthma and she has asthma that is triggered by cigarette smoke.

Ms. Helen Fellers, 316 Dean Hall Lane appeared before the members of Council in support of the ban. She said that she is the oldest person in the room, because she has never smoked. She admitted to having a drink and being in many bars. She told the Council that they have everyone's health in their hands and she asked the Council to pass the ban.

Ms. Stephanie Cavender, 8100 Garners Ferry Road appeared before the members of Council in support of the ban, because she is from New Jersey, a smoke-free state and she misses that. She has asthma and refrains from attending bars. She hopes that the city will be an example for other counties to follow.

Ms. Robin Biro, 5721 Bush River Road appeared before the members of Council in support of the ban. She works as a DeeJay and would lose \$7,000 on a party if this ban is passed, but she agrees that we should look out for the greater good. She said that the bars in West Columbia can't compete with what we have in the City of Columbia. All businesses should be held to the same standard, because it's about the greater public good.

Mr. David Harris, 2722 Devine Street / Night Caps Owner appeared before the members of Council in opposition to the ban. He said that it's City Council's responsibility to improve the city and to look out for existing businesses. He doesn't like smoking, but it is a part of his business. He uses chemicals and a lot of hard work to keep his bar clean and from smelling like smoke. He feels that it's too late to change the plan now.

Mr. Forrest Whitlark, 2719 Rosewood Drive appeared before the members of Council in opposition to the ban. He owns two (2) restaurants in the city of Columbia and the dinner crowd leaves at 10:00 p.m. and then he is in the bar business. He thinks it's unfair that his restaurant customers can leave and go to another bar to smoke.

Mr. Gary Cadle, 700 Acardia Lakes Drive appeared before the members of Council in support of the ban. He noted that there are three (3) issues: public health, fairness and responsibility. He added that smoking is an activity that should be confined.

Mr. Ian Hamilton, 1325 Fairview Drive appeared before the members of Council in support of the ban. He said that since the November 2006 Public Hearing some interesting information has come forth regarding a decrease in the number of heart attacks. He noted that the City of Beaufort, Walterboro and Aiken are all considering an ordinance and there will be twelve (12) ordinances on the books for South Carolina. It is important to ensure the health and safety of workers and patrons alike.

Ms. Beech Brooker appeared before the members of Council in opposition to the ban as an owner of buildings that have bars in them. He stated that no one that works in a bar has spoken today. Workers can decide where to and where not to work. He feels that this is discrimination and suggested that there be separate areas for smokers and non-smokers.

Mr. Brian Glenn, Village Idiot Owner appeared before the members of Council in opposition to the ban, because the 85% rule is absurd. His business will be penalized because of the number of deliveries and catering jobs they do. He operates as a bar at night and would ask the Council to take a stand and not serve in the grey area.

Mr. Don Lucas appeared before the members of Council in support of the Ordinance. He understands the health issues and that it's important that people don't die of cancer. His aunt died from cancer, but she never smoked. It is a personal choice too and City Council should not take away personal choice rights. He noted that the owners are in it to make money. He suggested that smoking be banned across the state.

Mr. Christopher Allen appeared before the members of Council in support of the ban, noting that he is an employer and no business has the right to look at its own interest without considering those of the employees.

- **Council closed the Public Hearing at 10:06 a.m.**

Councilor Cromartie suggested an amendment that would notify the business license holder of any infraction that occurs and any fines imposed on their business.

- **Council recessed at 10:12 a.m.**
- **Council reconvened for a Work Session at 1:17 p.m. Mayor Coble was not present at this time.**

#### **CITY COUNCIL DISCUSSION / ACTION**

2. Water & Sewer Fund – Mr. Steven A. Gantt, Senior Assistant City Manager for Operations

Mr. John Dooley, Director of Utilities and Engineering reported that revenues are up \$1.5 million in water meter fees collected and over \$1 million in sewer fees due to rate increases. The Department of Utilities and Engineering is comprised of the following 8 divisions: Mr. Bud Summers is the Superintendent of the two (2) Water Plants, which includes eight (8) remote locations; Mr. Tommy Faulk is the Superintendent of the Metro Wastewater Treatment Plant and various pumping stations; Mr. James Johnson is the Superintendent of Water Division to include maintaining over 2,200 miles of water mains, some construction projects, meter readers and Field Customer Service Representatives; Mr. Charles Daniels is the Superintendent of the Wastewater Maintenance Division to include the maintenance of 1,100 miles of sewer lines; Mr. Joey Jaco is the City Engineer to include the recent merger with the Construction Management Department, which is lead by Ms. Dana Higgins; Ms. Dee Bennett is the Manager of Engineering Operations to include all contracts with consulting engineers, other various agreements for the Utilities and Engineering Department and stormwater permitting; Ms. Suzanne Leitner is the Manager for Engineering Administration, which is a part of subdivision review and the selling of water and sewer taps; and Ms. Gale Nash oversees the Real Estate Division and is responsible for the acquisition of real property, easements and subdivision reviews. There are four hundred seventy (470) employees within the Utilities and Engineering Department. The Department produces and distributes 60-65 million gallons of water per day and treats 38-40 million gallons of wastewater. The Department intakes 125 million gallons of water per day; there are 130,000 metered water accounts; and the estimated read is under .5%. They continue to evaluate the automatic meter reading (AMR) capability, especially for hard to reach places like prison facilities, because they practically strip search the meter readers.

Councilor Rickenmann asked if we could charge some sites such as the Detention Center, an average bill since it is a pain staking attempt to read the meters.

Mr. John Dooley, Director of Utilities and Engineering stated that he has never thought about charging those sites an average amount. He reported that the department's budget is over \$39.7 million dollars; representing a 2.6% increase from last year as a result of increased chemical and electrical costs.

Councilor Rickenmann asked how much power the Hydro Plant generates.

Mr. John Dooley, Director of Utilities and Engineering explained that the Hydro Plant generates 10.7 kilowatts of power that goes into the grid. We own it, but we get paid for the power created then they take their operating and maintenance costs at the facility in the amount of \$350,000 per year. We are currently in the hole. The first year they netted a little over \$1 million dollars and \$1 million went to the Regional Transit Authority (RTA).

Ms. Dana D. Turner, Assistant City Manager for Commerce and Development stated that at the end of the seven (7) years the funding will be reviewed and both agencies will have to even up; they guaranteed us \$1 million per year.

Councilor Rickenmann asked what the point of running it is if it doesn't make money.

Councilor Sinclair explained that they were trying to work out the RTA deal and the idea was that we would own the Hydro Plant and it would help us operate the Water Plant and save on electricity costs. In the course of negotiations it became a liability and we knew this could happen and we could end up owing SCANA in the end. She admitted that she voted against the contract.

Mr. John Dooley, Director of Utilities and Engineering said that it is not reliable enough to provide a dedicated source of funding.

Councilor Davis thought we would have saved on the bill for operating the plant.

Mr. John Dooley, Director of Utilities and Engineering said that we are getting some credit.

Ms. Dana D. Turner, Assistant City Manager for Commerce and Development explained that it all depends on how much electricity we can generate at the plant. We are at the mercy of SCE&G and how they choose to use the electricity created at the grid.

Councilor Rickenmann asked that staff review the agreement with SCANA.

Councilor Sinclair asked how many years are left.

Ms. Melisa Caughman, Interim Finance Director stated that it is forever.

Councilor Finlay asked how we can offset our bills if we are selling it to SCE&G cheaply and then buying it back; we are subsidizing SCE&G. He suggested that the city negotiate with SCANA to offset the city's bill.

Ms. Dana D. Turner, Assistant City Manager for Commerce and Development explained that the city agreed to the price we would get off of the grid, but when that agreement expires the city will have to renegotiate.

Councilor Devine suggested that we have Mr. Ken Gaines, City Attorney look at the agreement and figure out what we have and how to make our position better.

Ms. Dana D. Turner, Assistant City Manager for Commerce and Development further explained that the agreement includes a clause which states that if there is a dedicated funding source, our \$1 million contribution will end.

Councilor Devine stated that the city needed to make its position clear; we are sticking to the agreement. We will help with trying to get the dedicated funding source passed, but after that we will go with the agreement and stop the \$1 million transfer.

Mr. John Dooley, Director of Utilities and Engineering continued with the budget discussion noting that there are more than eight (8) line items where the costs are broken out and there are a couple of cost centers within the Real Estate Division and Engineering. Councilor Rickenmann asked about the service expense line item under Finance.

Ms. Melisa Caughman, Interim Finance Director explained that the service expense under Finance is the indirect costs mostly from water and sewer and the general fund. The indirect transfer has been reduced to \$2.5 million to include \$250,000 for professional services; \$200,000 for the accounting contract with the Municipal Association of South Carolina; and funding for insurance and bonding.

Councilor Rickenmann asked about the funding for the Community Safety Officers.

Mr. Harold Reaves, Director of Homeland Security explained that the twelve (12) Community Safety Officers funded from this budget are for the Water Plants and the Public Works complex and not the community. The water plants are manned 24/7. He explained that there were numerous issues that stemmed from the use of private security guards to include them not showing up to work.

Councilor Rickenmann suggested that private security would cost much less and that the officers were designed to be used for safety in the communities and not as security guards. He asked that staff look into this matter.

Ms. Melisa Caughman, Interim Finance Director noted the previous contract for private security cost over \$300,000 annually.

Councilor Davis stated that those twelve (12) Community Safety Officers are needed in the neighborhoods and he would like to look at the numbers to determine which works best.

Ms. Melisa Caughman, Interim Finance Director noted that if those Community Safety Officers were placed in the neighborhoods, then funding would have to come from the General Fund, which would have to be adjusted by \$500,000 to accommodate that.

3. Storm Water Fund – Mr. Steven A. Gantt, Senior Assistant City Manager for Operations

Mr. John Dooley, Director of Utilities and Engineering announced that the city's stormwater National Pollutant Discharge Elimination System (NPDES) Permit will be issued soon. They will meet with DHEC next week. He noted that Lexington and Richland Counties already have permits. There will be additional expenses for two (2) divisions within Utilities and Engineering and Public Works. This will also impact businesses, especially those with large parking lots. There will be a public information component to this.

Councilor Rickenmann asked why the cost of benefits for retirees has not increased.

Ms. Melisa Caughman, Interim Finance Director explained that it is increased during the current year's budget from what was previously budgeted. She said that there are retirees that retire out of the water and sewer fund.

Councilor Rickenmann asked about the repayment to the water and sewer fund for the Village at River's Edge development.

Ms. Melisa Caughman, Interim Finance Director stated that it is not reflected in this budget,

because it came from the General Fund. It was a \$400,000 commitment out of the fund balance.

Ms. Dana D. Turner, Assistant City Manager for Commerce and Development explained that the developer has spent some of the general fund money, but not the federal funds.

Councilor Rickenmann wanted to know if the 5% increase isn't approved, how would it impact their budget?

Mr. John Dooley, Director of Utilities and Engineering stated that in terms of the Operating Budget there is not an issue, but money is needed for system upgrades. He noted that they are seeing increased revenues.

- **Mayor Coble rejoined the meeting at 2:04 p.m.**

Mr. John Dooley, Director of Utilities and Engineering stated that staff's proposal is to sell the dual purpose meter with a mainline meter and a smaller meter at our cost plus 15% and then the developer would be responsible for the work and the city would inspect the meter.

Councilor Devine asked about the timeframe for completion in the northeast and if staff had looked at the growth in southeast Columbia.

Mr. John Dooley, Director of Utilities and Engineering stated that he doesn't anticipate there being a problem in the southeast, because the area is not growing by leaps and bounds. A master plan was done for water improvements in the southeast. He anticipates that the northeast system will be completed by next spring.

Councilor Finlay asked if staff had heard back on our proposal to Richland County on the southeast 208 Plan.

Mayor Coble stated that we had not heard back from Richland County, but he has asked for help from interested parties since it involves a determination through Central Midlands on whether or not an amendment is needed.

Mr. Steve Gantt, Senior Assistant City Manager for Operations explained that the requestor has reduced the size and scope of the additional request and they have received an approval letter from Central Midlands for an addition to the Food Lion Pump Station on Lower Richland Boulevard to accommodate the initial proposed development. The city is reviewing those plans, but has not indicated how we will handle this. It is his understanding that the county is moving forward with its wastewater treatment facility on the Wateree River with an 11-mile force main to take care of the other potential projects. They are allowing the city to serve a limited part of that, but they are planning to serve the main portion of it.

Councilor Finlay thinks that this is a political issue, but he wants to make sure the appropriate people gets shelled if there is a problem; that would be council and not staff, because this is a hot issue for that area.

Councilor Rickenmann said that we needed to move forward and discuss the annexation policy. He would be glad to provide water to them, but it is a policy issue. There will be situations wherein the city might not annex property due to costs.

Councilor Davis urged the Council to consider the costs of sending water so far out. He voiced concerns about the doughnut holes within Council District I.

Councilor Cromartie noted that this city is growing and the only means we have to continue to grow is to have these policies. He said that doughnut holes are caused by state law.

Mr. Steve Gantt, Senior Assistant City Manager for Operations stated that the only salvation for doughnut holes is if we get the county to mutually agree to the city annexing the unincorporated areas surrounded by city limits so we can provide a more efficient level of service to those sites.

Mr. Charles P. Austin, Sr., City Manager would like to engage Council in an in-depth discussion about the annexation policy. Staff has already prepared a legitimate presentation as it relates to annexing doughnut holes, the cost factors and the effect.

Councilor Finlay suggested that they focus on urban in-fill.  
Mayor Coble asked about the building permits in northeast Columbia.

Mr. Joey Jaco, City Engineer stated that there was a 1 million cap last year and it was gone in a few months. It's time to make a decision and staff will look at all projects.

Mayor Coble said that we should be in a position to state how much growth we can take.

Councilor Rickenmann inquired about the revenues for fiscal year 2006/2007 compared to 2007/2008. He asked about the \$12 million miscellaneous revenue.

Councilor Finlay also asked about the \$12.335 million in miscellaneous revenue.

Ms. Melisa Caughman, Interim Finance Director said that she will look into that, because it is an awfully large number. She is sure that it's not miscellaneous revenue, but it is being audited now and will be adjusted later. As of April 30, 2008 we had brought in approximately \$84 million for all revenues and next years projections include tap sales.

▪ **Mr. Cromartie left the meeting at 2:29 p.m.**

Councilor Devine asked about the safeguards being put into place, like a beep when an object code is entered incorrectly.

Ms. Melisa Caughman, Interim Finance Director said that monthly closings will address that. She met with staff today to discuss the new structure. She introduced Ms. LaTorian Bowie, Staff Accountant and Ms. Gloria Bakhit, they both will be working on water and sewer and enterprise funds; and Ms. Phyliss Tillmon a long time employee that handles grants and Community Development Block Grant (CDBG) funds.

4. Capital Improvements Program – Mr. Steven A. Gantt, Senior Assistant City Manager for Operations

Councilor Rickenmann inquired about the transfers to and from the stormwater utility.

Ms. Melisa Caughman, Interim Finance Director stated that before the utility was created the Street Division's storm drain operations were part of the General Fund and once the utility was created the General Fund contribution moved with it as recommended by a consultant and an advisory panel. The \$2.8 million transfer is for the Capital Improvements Program.

He suggested that \$2 million be transferred from the Water and Sewer Fund and that \$1 million of that be put into stormwater next year, because money is being transferred back and forth.

▪ **Ms. Sinclair left the meeting at 2:38 p.m.**

Mr. John Dooley, Director of Utilities and Engineering explained that stormwater is a separate utility, but it is included with the water bill so that the city doesn't have to send out two (2) separate bills and if you don't pay your stormwater fee the city will cut your water off. The goal

was to have it as a standalone and healthy Enterprise Fund to deal with stormwater issues.

Councilor Finlay noted that for fiscal year 2008/2009 there is \$109 million in CIP projects, but only \$22,230,000 is available. An additional \$88 million is needed to carry out the CIP. How does that comply with our 1993 Resolution to adopt a policy on Water and Sewer Fund transfer to the General Fund, because it states that we maintain the capacity to fund capital improvements to the system without unduly relying on bonding indebtedness (e.g. using debt to finance more than approximately 50% of capital requirements)? It looks like we are relying on debt to fund 80% of our capital requirements; we are 30% outside of our own policy. Has it been consistent for us to be outside of this policy?

Mayor Coble stated that we went to that policy because of the bond rating agencies, but since then we have maintained the same good bond rating over the years. If someone doesn't want a transfer out of the Water and Sewer Fund, then they can come up with \$3 million and we won't do the transfer from the Water and Sewer Fund.

Councilor Finlay said that we are squarely outside of our policy for pulling monies out of water and sewer; we are out of compliance. He asked if the Mayor wanted to make a motion to change the policy.

Mr. Steve Gantt, Senior Assistant City Manager for Operations reported that we have \$21 million for Capital Improvements Projects and \$109 million in needs for fiscal year 2008/2009; therefore we must issue bonds for \$84 million to accomplish that. The numbers have grown for the next five (5) years. It has to be a combination of unallocated reserves from water and sewer and bonding to get over \$500 million for the next five (5) years. We have a 1993 issuance that pays out in 2012; a 1999 issue that pays out in 2010; a 2001 issue that pays out in 2018; and a 2005 issue that pays out in 2030. There are four (4) bond issues already outstanding.

Councilor Devine asked about the policy dating back to 1903, which indicates that the purpose of purchasing the water system was to have revenues to transfer to the General Fund. It is difficult, because we will always have more needs than money. We have to figure out the best way to keep the transfer down and keep our system up while staying within the realm of what we are able to do.

Councilor Finlay stated that our policy is dramatically off from what we do. He urged his peers to understand that if we embark on this project we are making a big departure from what we thought we needed 15 years ago. We will spend \$80 million per year bonding money. He suggested that we look at this long-term and adopt something that sets guidelines and take the water and sewer fund off the table.

Mr. Steve Gantt, Senior Assistant City Manager for Operations stated that he would like to have one-third cash on an annual basis, but we are not there. Unallocated reserves are not where they need to be. We would rather spend our money instead of borrowing funds. He said that a 5% increase over the next five (5) years on water and sewer rates will help us continue to move forward.

Councilor Finlay noted that we would need \$35 million in cash.

Councilor Rickenmann suggested that staff put together a true five (5) year plan and understand how we are going to get there. We need to consider a policy change, because the system has to be reinvested in. It is the life line of this city.

Mr. Steve Gantt, Senior Assistant City Manager for Operations stated that we have improved our existing infrastructure. A five (5) year Capital Improvements Program is a snapshot in time and it changes annually. He noted that year one is consistent and the other years have to be massaged annually.

Councilor Rickenmann stated that we need to understand our options for the next five years adopt a plan and commit to it. We can't cut all transfers, but we need a plan and we need to understand its financial impact. How much longer do we fund the Tapps Building?

Mayor Coble stated that after the Black & Veatch study we have been on a path to reduce the transfer. We are on a more aggressive repair schedule. He will agree to adjust the policy, if needed.

Councilor Finlay stated that we don't know where our revenue is coming from. When we push projects back over time, prices increase and we can't make progress. A hard core analysis is needed to understand where our hot spots are first. We won't be able to divert any cash flow to backstop other projects. We are not checking ourselves against our own policies.

Councilor Devine suggested that we do a Request for Qualifications (RFQ) for legal services, because a lot has changed in 15 years. It is appropriate to look at our policy. She said that the storm water utility doesn't do much for storm water projects. We have to realize that our current revenue is not enough. She said that as the proposed Municipal Improvement District (MID) moves forward we may need water and sewer funds; therefore, she might not agree to the policy change.

Councilor Davis doesn't have a problem with the policy. We need to prioritize. He is concerned about the projects on the list that are small in cost, but haven't moved forward.

Mr. Steve Gantt, Senior Assistant City Manager for Operations reported that between now and June the city will be issued the NPDES permit and it will put stringent requirements on us and unfunded mandates that relate to stormwater will effect the way we do business.

Mayor Coble said that he is supportive of the proposed millage rate increase.

Councilor Devine agreed.

Upon motion by Mayor Coble, seconded by Ms. Devine, Council voted unanimously to direct staff to advertise the maximum millage rate increase possible under the law and the recommended 5% water and sewer rate increase. Mr. Cromartie and Ms. Sinclair were not present for the vote.

Councilor Devine suggested that staff advertise an amnesty week to get people in to pay their base parking ticket of \$7 or advertise the list of names of those that owe the city for parking tickets in order to collect on those outstanding debts.

Mr. Charles P. Austin, Sr., City Manager noted that there may be a problem if we list names and the owner has sold the vehicle.

Ms. Melisa Caughman, Interim Finance Director stated that Ms. Maria Melonas of the Collections Division has proposed an Amnesty Day, but there are some issues to clarify.

Councilor Rickenmann inquired about bad debt and wanted to know if we can do the same thing to collect on bad debt.

- **Council adjourned the Work Session at 3:23 p.m.**

Respectfully submitted by:

Erika D. Salley  
City Clerk