

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

The City Council held its budget workshop at the Sanford Municipal Center, 225 E. Weatherspoon Street, on Tuesday, June 2, 2009, at 2:00 P.M. The following people were present:

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| Mayor Cornelia P. Olive | City Manager Hal Hegwer |
| Council Member James G. Williams | City Clerk Bonnie D. White |
| Council Member Charles Taylor | City Attorney Susan C. Patterson |
| Council Member Walter H. McNeil, Jr. | Budget Analyst Cindy O'Quinn |
| Council Member Mike Stone | Asst. Financial Services Director Beth Kelly |
| Council Member Steve Brewer | |
| Council Member Linwood S. Mann, Sr. | |

Absent:

Mayor Pro Tem Joseph Martin

Mayor Olive called the meeting to order.

City Manager Hal Hegwer, Assistant Financial Services Director Beth Kelly, and Budget Analyst Cindy O'Quinn answered questions from council members and the mayor regarding the budget. Discussion was held concerning the golf course. Council Member Taylor said that the golf course seems to be a source of contention for a lot of people and the course resides in his ward. He said that Council is faced with the issue of increases in our water and sewer rates tonight, because we need to save for a rainy day. Council Member Taylor said that he is interested in the number of rounds of golf played and the potential of an increase in green fees and cart fees as a source of revenue to tuck some money away that we will have to spend on the golf course down the road. City Manager Hegwer replied that from July 2007 to May 31, 2008, there were 29,347 rounds of golf played and from July 2008 to May 31, 2009, there were 26,078 rounds of golf played. Council Member Stone asked if the 29,347 figure includes the annual memberships as well. Mr. Hegwer replied yes. Mr. Stone said, "That floats the numbers to the point once you pay an annual membership, you may play 30 to 40 times; that is not rounds paid played." Mr. Stone said that it is really not giving you a true picture of the revenue stream, because when you throw in those people that can play every day for free for the rest of the year, it dilutes the number. Mr. Hegwer stated that we did not recommend any rate increases at the golf course. Staff has looked at the fees and felt you can price yourself out of the market in terms of the course. We hope play and revenue comes back.

Mr. Hegwer advised that we had \$40,000 budgeted in this year's budget for renovations to the golf cart paths and we did not do it. The only item put in the budget for capital expenditures for Fiscal Year 2009-2010 is some mowing equipment, which is vital to running the course. Mr. Taylor felt the same logic should be applied to the golf course that the City has used for the proposed water and sewer rate increases. Mr. Taylor said that we are providing a product that a select few enjoy and the water rate scenario is something that we are bound by regardless and they are recipients of these increases. There are a lot of people that do not play golf but at the same time the individuals that do play golf, should be willing to pay for the services being provided. Mr. Taylor stated that he would like to hear more on what Council Member Stone

asked about what is the rounds per member played versus the rounds that are actually paid and what are the rounds that are played by tournaments. He said that the golf course did a great job Saturday of the Booster Club tournament, but at the same time, he felt a lot of people are paying for something that they are not actively involved with. He felt we should look at passing some of that burden back to the people that are utilizing the course.

Council Member Brewer asked if that meant if you use a park, you need to make them pay too. He said that there is a happy medium on what services you provide. There are plenty of people that do not use Depot Park, but it cost the City \$100,000 plus each year. He added that it is a cost to the citizens that everybody does not use, so a fee that people pay for something they do not use is a fee, and he felt you have to find where your happy medium is going to be. Mr. Brewer stated that he is sure if we help with a skateboard park down the road, it is not going to be self-sufficient and will not pay for itself; there are going to be things that we have to do in our City, especially in these economic times, that are not going to be self-sufficient.

Council Member McNeil said that in one way, we got ourselves in a position of falling behind on the golf course because the rates were adjusted two years ago. He added that you can only charge so much for a City-owned golf course. It is not a Carolina Trace, or Legacy; you charge what the product will bear. In reference to the annual green fees, there are people with annual green fees that only play one or two times a year. He said you have to look at it in a way as providing something for the citizens of Sanford – not everybody is going to use the golf course; not everybody is going to use Depot Park; if we build a skateboard park, not everybody is going to use that. Mr. McNeil said that people will really complain about a skateboard park because not many people are going to use it.

Council Member Stone said that the golf course has made some big improvements in the way they do some of their business. Ultimately long term, it is going to come down to this board's philosophy as to what Council wants to do. He added that there are \$1.6 million of capital improvements coming up in the future. Mr. Stone said that if you have a problem with rounds played, why would you tell the public total rounds played. He felt you should tell the rounds paid. City Manager Hegwer replied that there is no attempt to hide anything or change anything. Staff can answer any question Council has about it. Mr. Hegwer advised that at one point staff thought the course could operate independently and it was move to an Enterprise Fund. This did not work so it was moved back into the General Fund. The course runs just like any other recreational outlet. There are probably more people using this course, as an analogy, than a lot of the other outlets that we have in the community. Mr. Hegwer stated that any kind of recreational outlet that he has ever seen, the user fees do not pay for the total cost of the service. We will be finishing up more of the debt service at the golf course in 2012 and it will make it easier.

Mr. Stone reiterated that we are looking at \$1.6 million of future expenditures. He added that the City could lease the golf course and the City would still own it and we would net \$300,000 each year to our bottom line that we could spend to help all our citizens. Mr. Stone said that he is still in favor of keeping the golf course; however, it could be leased.

Council Member Brewer stated that he did not feel the City can make \$300,000 on a golf course that has this type of revenue. If you look at the golf courses in this town with the exception of Tobacco Road, they are all struggling. Mr. Brewer continued that just because \$1.6

million improvements are requested in the capital improvements, does not mean it will come to fruition. Mr. Brewer pointed out that it comes out to what do you think your City needs; where do you think you want it to be in the future; what services do you want to provide to your citizens. He said you can lease everything the City has and not spend a dime. If you do not provide a greenway – you will save \$187,000; if you lease Depot Park, you will save \$175,000; let's not buy the Depot – we will save \$250,000; let's not sweep the streets – we will save more money. Mr. Brewer said you cannot make knee jerk reactions.

Mr. Taylor requested to get the revenue by annual memberships; the revenue by rounds paid; and how much is generated off of tournament revenue.

Council Member Mann commented that the golf course is a part of recreation. We do not say anything about the money being spent on the Little League baseball fields and all the other things the City provides the citizens. At least the golf course is putting some money back in it.

Council Member Taylor said he has been to a couple of fire stations and been to some of the City's. He realized that we have fire trucks without computers on them, and we have an inspector that is using a personal laptop. He asked if we could allot \$12,000 to \$15,000 to outfit our fire trucks with laptops so they can pull up pertinent information as they respond to a commercial fire or scene so they would know what materials are in that building. It would help from a 911 routing standpoint so they would know where they are in transit. Mr. Hegwer replied that they have tried to figure out a way to pull it off in this year's budget. Staff feels there is enough room in a few items that we can make it happen this year.

Mayor Olive and several Council Members pointed out individual questions on specific pages regarding the budget which were answered by the City Manager and Finance Staff.

City Engineer Vic Czar presented Council Members with a breakdown of residential customers that are inside and outside the City limits that use 4ccf of water and 7 ccf of water.

ADJOURNMENT

With no further business to come before the council, the meeting was adjourned by Mayor Cornelia Olive.

Respectfully submitted,

CORNELIA P. OLIVE, MAYOR

ATTEST:

BONNIE D. WHITE, CITY CLERK

SUSAN C. PATTERSON, CITY ATTORNEY