

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 Friday, June 10, 2011 at 10:00 A.M. for a budget session reconvened from June 8, 2011. 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 (10:05)
City Attorney Susan Patterson	Deputy City Clerk Janice Cox

Absent:

Council Member Linwood Mann  
City Clerk Bonnie D. White

Mayor Cornelia P. Olive called the meeting to order.

Budget Workshop Continued from June 8, 2011

Mayor Pro Tem Sam Gaskins questioned the changes in the Utility Fund budget over several years. City Manager Hegwer stated it is a historical trend and we reduced it based on history.

In the Shop budget, Mayor Olive asked what the fuel sales were. Finance Director Melissa Cardinali explained that is where Shop Director Randy Paschal buys it and then charges it out to the departments. In Departmental Supplies, Mr. Gaskins questioned the big jump. Mr. Hegwer responded that new software has to be purchased where we analyze vehicles. That is a \$3,000 increase because of the newer vehicles and newer computer technology.

Mayor Olive complimented the Horticulture Department for the beautiful plantings in the entrance to the Police Department and out front at City Hall. Mr. Hegwer noted that a lot of the plantings are propagated in our Horticulture Department. Mr. Gaskins asked about the budget for training. Mr. Hegwer stated that the budget for training increased due to required training and the flash fountain at Depot Park, license for pesticides, and continuing education for credits to maintain that license. Six employees are involved. Council Member Charles Taylor noted that this department is involved with the Chamber of Commerce Beautification Committee and asked how often they meet and which of their projects are direct results of those meetings. Mr. Hegwer stated he would check into that.

Mayor Olive noted that in today's paper, there was an article about the Secretary of the North Carolina Department of Labor being here yesterday giving out safety awards. She said that she regretted she did not know about it because she would have wanted to be there to support our City staff. She would like to be notified.

In the Police Department, Mr. Gaskins questioned if modems for police cars were a continuing expense and inquired about the cost of cell phones. Mr. Hegwer stated that some of the cell phones for the detective division have internet on them. There are cell phones for supervisors and captains. Some plans have been updated. Mayor Olive wanted to know how many cell phones we had to cost \$20,000 a year. Mr. Hegwer stated he could get her that information. Mrs. Cardinali stated that the modems for cars are a continuing expense. Mr. Hegwer explained that some units are equipped with Mobile Data Terminals (MDT). This is like having an office from the vehicle in that they can perform citations, view license information, do mug shots, and access other information. Mrs. Cardinali believes that bill comes through the telephone company, but she will check.

Mr. Gaskins asked about the increase in Contracted Services for fingerprint equipment maintenance and mobile data software for mug shots. Mrs. Cardinali stated that as we convert from paper to electronics; all that software comes with ongoing maintenance. It is much cheaper to keep the maintenance annually than to try to catch up later. She would not anticipate these costs going down.

Mr. Taylor questioned the Printing budget's having gone from \$751 to a projection of \$3,000 for 2011. Mrs. Cardinali stated that had been dropped to \$2,500. It covers stationery, business cards, envelopes, and basic supplies. Mr. Hegwer stated there will be printing for manuals and code ordinance books. Mr. Taylor confirmed that there are not mobile radios for each police officer and that we are replacing radios now and not getting radios for all of our officers. Mr. Hegwer explained that in the detective division and some other divisions, all officers have radios. In the patrol division, officers work in shifts so every single officer is not assigned a radio because the radio is available for each on his/her shift. It works well, but in a disaster, there could be some scrambling for radios.

Mr. Taylor asked if all the radios were Motorola. Mr. Hegwer was not sure, but stated they lasted a long time. Mr. Taylor said that he had talked to Shane Seagroves about their radio communication during the tornado. The County goes with the Kenwood System through Fleet Connect which has saved about \$500 per radio. He would like to look at the possibility of making it a standard issue when we hire an officer, that they get their own radio and own flashlight. Mr. Cohen stated they might want to look at going with Nextel Communications. They have cell phone and radio all in one. Mr. Hegwer stated they did have that in the Police Department. Mr. Taylor stated that, in the least, he wanted to be able to provide each officer his/her own radio and flashlight, as it is important in off duty situations. Mr. Hegwer stated that the mobile radios in this year's budget are in the vehicles because they are phasing out the bandwidth. The other addition is the online access we will have for the public for the police records. Mr. Brown agreed with Mr. Taylor about the radio for each officer, because actually they are on call 24/7. Mr. Hegwer stated it has been done this way to keep costs down. Mr. Taylor wanted a count of the number of sworn officers who do not have radios at any once time. Mr. Hegwer stated it would be a third of the patrol officers, possibly thirty officers. Mr. Taylor stated that Shane Seagroves got their radios at Fleet Connect for about \$750 versus \$1,200-\$1,300. Mr. Hegwer said he could look into that.

Mayor Olive questioned increases in Department Supplies. Mr. Hegwer stated it would fluctuate. This year we got sixteen mobile radios at a cost of 1,460 each or about \$23,000. Also there were replacement sirens. Speakers have to be replaced and \$35,000 was for online access for the police reports. Outdated radars are being replaced for \$6,148.

Mayor Olive asked what we were getting for the Rentals. Mr. Hegwer responded the DCI terminals and other parts of the MDT's. Mr. Gaskins asked about the Capital Construction budgeted this year for \$2,800 and \$1,405 was spent. Mrs. Cardinali stated that budget was amended during the year and she could get the information for her.

Mr. Gaskins asked about \$10,000 spent for uniforms in the Drug Forfeiture section. Mrs. Cardinali replied that is budgeted for where it is thought the money will go. She stated that drug forfeiture money is not budgeted specifically because they don't want it publicized exactly due to the nature of the work. It is hard for them to project out what they will need as it depends on what they are doing. Mrs. Cardinali stated the drug forfeiture expense is directly offset with the money that comes in from drug arrests. Mr. Hegwer stated it is very specific and you have to be very careful about how that money is spent. Mrs. Cardinali stated that a report has to be filed with the Department of Justice every year and they watch it very carefully. Fingerprint machines are purchased by the City and are in the detective division. The forensic workstation that we are buying this year is in Capital Machinery and Equipment.

At this point, Mrs. Cardinali gave Mayor Olive the answer to her previous question about rentals. She stated it was an appropriation for the repeater that was put on top of the water tank. Mr. Hegwer explained that for a couple of years, we have been in the process of moving our antenna we have on the Charter tower. As that franchise agreement phases out and becomes a state franchise, we have tried to move our equipment to get off of their towers and utilize part of the Highway Patrol's Viper tower. We also have some antennas on the Harkey Road water tank. We are trying to make sure we have those in separate locations to minimize any risk from damage.

Mayor Olive moved to Page 133 of the budget and asked how many Tahoe's the City has. Mr. Hegwer replied that we have four to five. Two are in bad shape and are used only in very rugged terrain. Since the Crown Victorias are being phased out, they are looking at bringing in a Dodge Charger to see how it works. We also have the mobile crime scene vehicle that would allow all equipment being moved to a crime scene to be put in one vehicle very methodically, brought to a site, and provide lighting for the crime scene. Mr. Hegwer stated that he had cut that out of the budget trying to balance out a public safety need. It will be looked at again in next year's budget. It became a matter of balancing that with having a vehicle that was a 1977 equipment truck in the Fire Department.

Moving to Police Dispatching Services, Mr. Hegwer noted that this is a cost-share department with the County. This is the staffing in our 911 Center where all dispatching to various departments is handled. We provide dispatching services to the County, such as EMS and Rural Fire Departments. Mr. Taylor mentioned how much money was saved on new desks for the 911 Center. Mr. Taylor suggested offering incentives for cost saving measures.

Mayor Olive stated that she has problems with the Backup Center because the City would be assuming so much of the cost and asked how much the County is going to put in. Mr. Hegwer stated that we budgeted funds for a Backup Center—911 System at \$280,000 which includes the equipment to go with it. It does not include money for staffing. If the current system were to go down, our staff would be ferried to the backup site and operate out of that. The County is going ahead to build a new, improved Emergency Operations Center which has nothing to do with the 911 Center. The Emergency Operations Center is where personnel gather to organize protocols. They would like to do this in the basement of the Lee County Sheriff's Department. They plan to spend some of the 911 funds that were made available through the legislature. The funds are controlled by the County. The City controls the PSAP –the operations. The County Manager asked for that to be removed from the county budget and it has already been cut out. They have budgeted for the 911 Center here. He is assuming they are going to build this backup.

Mayor Olive asked if this is rooted in the controversy that arose last year over control of the communications because of the volunteer fire departments. Mr. Hegwer responded that he was not sure. There was some controversy because we have operated the PSAP and the funding had always come to the County. There were provisions that allowed them to utilize that funding and that was of concern to us because we wanted to make sure there was appropriate funding in the 911 Fund. We had many discussions for months about that. Ultimately, there was an agreement formed between the City and the County that the funds would still continue to come in from the state and be under the County's control. Those funds would be allocated to the City to run the 911 Center. That agreement would stay in place to such time that both boards agreed to do anything otherwise. They control the money and we control the operation and the work. Mayor Olive stated that this seems so out of kilter to her—we do the work; we provide the personnel; we provide the location, etc., and they control the money. She stated that she knows interlocal agreements are a fine and wonderful thing and she supports them 100 percent, but it seems to her that we are getting robbed. Mr. Hegwer stated that, through legislative changes, they have been able to utilize funds that were intended for 911 purposes in other areas. The state has allowed that. Ultimately, we had an agreement with the County that we continue like it is, and any windfalls in the future (such as the first half a million dollars and a subsequent one of last year) that allowed them to utilize one half of the balance are allowed under our agreement.

Mr. Gaskins asked if they would be allowed to use that money for our Animal Control. Mr. Hegwer stated they could use the first half for any purpose they want. The second half can be used only for a public safety need. Mr. Williams asked if the state was requiring us and the County to have a backup center. Mr. Hegwer stated that they were not, but other places have moved forward with a backup center. Many 911 Centers do not even have EMD (Emergency Medical Dispatch) that we have. Standards are being changed with a goal to make it more equitable so that there are not excess funds. They are holding to your five-year rolling average that has been utilized over the years, so our funding model has been decreased because we are not spending enough. The point he has made in the past is we need to get this center upgraded and move as quickly as possible with a backup because they are telling us the funds are available, but if we don't spend them, they will not continue to allow us to build up big balances and utilize them on other things.

Mayor Olive confirmed with Mr. Hegwer that we are now getting operating costs and equipment for the 911 Center. Mr. Hegwer stated that we do have a contractual relationship with the County where they pay us for some portion of the dispatch cost.

Council Member Taylor expressed concern for having the front desk of the Police Department as an unprotected area, with our 911 Center not far from that area. He stated that we need a partitioned area to prevent people from getting behind the counter. Mr. Hegwer stated there were protocols in place so that the 911 Center stays shut and sealed off with a code to get in. It is a secure area. The hope is to move the Police Department to their own facility and bring other City offices to that area. With that move far out, Mr. Taylor asked about the cost for partitioning that area off with bullet proof glass. Mr. Hegwer stated we would look at it. It had been considered for the billing counter at one time. Mrs. Cardinali stated that building the counter higher had provided some security.

Mayor Olive clarified with Mr. Hegwer that the Backup Center was to be taken out of the budget. He agreed that was correct because the County did not fund us.

Mayor Olive noted the time at 11:00 and stated that Council had covered about 20 pages in an hour. She stated that she and someone else would have to leave at 11:45 and it would be at Council's discretion whether to continue. She mentioned that when they meet next, she wanted Council to be prepared to talk about whether/when they need to make plans to go to Concord because they had talked about it several times and the tornado and other conflicts have delayed the visit. She also said she would like City Manager Hegwer to talk about the FEMA deadline of June 20.

Mr. Hegwer stated that he had a visit from FEMA yesterday and they wanted the public to know that June 20 is the last day for people to register and apply for FEMA assistance. There have been 521 individuals who have registered with FEMA and, so far, FEMA has granted \$628,572 in individual assistance. Mr. Brown added that FEMA is encouraging everyone who had damage to register regardless of their insurance.

Mr. Hegwer distributed some insurance information (Exhibit A) to Council based on some of the questions they had during the last portion of the budget session. In 2002, the City stopped providing dependent coverage for employees. The subsidy is being phased out over time. About 28 percent of our employees (108 employees) are now paying for dependent coverage. About 55 of those are still being subsidized to some degree for dependent coverage. The employer cost for employee insurance is \$2.4 million. This is a cost the City cannot control. He recommended looking this year instead of investing that money into the plan now, have the consultant come in and look at it in more depth to see why people are not participating in the plan. Mr. Taylor emphasized that the more who participate in the pool, the better it would be for costs.

Mayor Olive asked about insurance for retirees and their covered spouses. Mr. Hegwer stated that they remain on the plan until they reach Medicare eligibility. Mrs. Cardinali stated that dependent coverage had never been covered, but had been subsidized. To Mrs. Cardinali's knowledge, it did not continue after the employee retired. Mr. Taylor thanked staff for the

information. He asked for a breakdown of total employees by year 2006-2011 and then for 2007-2011 for employees' coverage for all the different breakdowns—family, etc. He wants to see how many people are participating by year. He stated it would be interesting to see how the plan increases in cost as participation drops off. Mr. Hegwer stated he wanted the consultant to dig deeper to find out why and if there is a way to make it affordable to do more. Mr. Taylor wanted it made a part of the employee survey.

Council Member McNeil suggested that this discussion should be held in retreat because, at this time, we are trying to see how we can help employee now in this budget. He feels that employees have to be all given the same increase, and let them figure out how they want to do their insurance. He stated that Council is here to treat all employees equitably. Mr. Taylor respectfully disagreed that this is not just retreat material, but is impacting the budget. He stated that Council had a discussion about a pay increase as well as a supplement for insurance which would be structurally equitable for everyone. He feels the only way to get costs down on our insurance plan is to get more people in the pool. Mr. McNeil stated that we are giving the employees their insurance right now. What Mr. Taylor is talking about is subsidizing people for their dependents. We are talking about employees now who are getting their insurance free and at the same time they are losing money because they are not making enough money to absorb that 9 percent. Mr. McNeil did not feel it would be equitable to give employees across the board a 2 percent raise and contribute another 1 percent to dependent care because not everyone has dependents.

Council Member Brown stated he was the one who recommended the 3 percent and had mentioned that with the 9 percent increase in insurance coverage plus the inflation factor of at least 3 percent or more so, we are talking about 12 percent less money our employees will be making this coming year than they are making now. He stands by his recommendation to give a 3 percent increase across the board for this year.

Mayor Olive asked to put this matter on hold. She agreed with Mr. McNeil to a point that perhaps we need to have more retreat days so that these issues can be discussed. Mr. Taylor added that when you are looking at changing insurance, you don't need to wait to retreat after the year has already started because you are in another insurance year. You would be replacing an insurance policy in the middle of another year, and it would be 2013 by the time it rolls around. Mr. Hegwer stated they could get started on the consultant study now to determine if there is anything they can do. Mr. McNeil advised Council to go ahead with a 3 percent increase for all employees now and work out the other problems at retreat.

Council Member Taylor stated that it had never been said that if you gave all employees a 2 percent increase that employees without dependents would not be compensated if those with dependents were for insurance. Mr. Gaskins stated that for budgetary purposes, the lesser expensive way to go for the City --and the part that would help the people in most need and would encourage people to join the medical insurance program, which, in the long run, would be additionally beneficial to the City-- would be to give the 2 percent raise plus a 15 percent supplement on the insurance only.

Mayor Olive reminded Council that today is June 10 and they will have to vote on a budget June 20, so they need to get questions out and answered as quickly as possible; and, after having discussed it as much as they have, leave considerable discretion on this issue to City Manager Hegwer for his recommendations.

Moving on the Fire Department, Mr. Taylor stated that he wanted to be sure we were doing the same thing about radios with the Fire Department as we were with the Police Department. Mr. Hegwer stated that there are 39 portable radios in the Fire Department that have to be replaced for bandwidth for about \$88,000. Also air cylinders have a life expectancy of about fifteen years and they have to be replaced. There is a heavy duty truck in the budget as well as a thermal imaging camera and a lift bag for extraction of individuals in vehicle accidents.

Mayor Olive asked where in the budget the “detailing” costs were located for Fire Department cars. Mr. Hegwer stated there were only three or four vehicles they have—the chief’s, fire marshal, and battalion commanders who are in charge at the scene for any fire call. The vehicle is shared by persons on duty. The cost is a departmental cost. It is a matter of pride. Mayor Olive said they are impressive and some of the firefighters even drive red trucks. She stated she was asking the question because there was one car with hubcaps that looked expensive and had a lot of writing on it, and she wondered how much that costs. Mr. Hegwer stated he could find out. Mayor Olive asked about no writing on the new police vehicles. Mr. Hegwer stated that they were needed in use before the writing could be done, but they are all finished now.

Council Member Gaskins stated that employee training had jumped considerably. Mr. Hegwer stated one reason is travel to some training is involved and they are trying to do some extra arson investigation classes. There is training for inspectors and a lot of continuing education. Mr. Gaskins noted that telephone expenses had more than doubled. Mr. Hegwer stated this was tied to the circuits for remote stations. Currently, if they need a purchase order, they all have finance software to correlate back with the Finance Department for financial transactions. They have fire-reporting data that goes to the Department of Insurance. Our IT director has said that we have to have that this year because it basically improves the speed of the transfer of data from department to department. The server part of that cost was listed in the IT Department and the recurring costs show up in the individual departments because they will be billed through our providers for that circuitry.

Mr. Gaskins questioned the amount for equipment maintenance. Mrs. Cardinali stated that is the SCBA maintenance and that does not happen every year. Mr. Hegwer explained that after fifteen years, those cylinders have to be replaced and we have thirty-two of those. Mr. Cardinali stated it had been fifteen years since the SCBA had been replaced. Mr. Gaskins also noted a jump in departmental supplies. Mrs. Cardinali stated that was related to new software and portable radios in the trucks.

Noting a \$25,000 amount for temporary help, Mayor Olive asked if they were hiring potential candidates for employment when they hired temporary help. Mr. Hegwer stated that is for inspections when additional help is needed and not everyone is certified. Code books have to be updated.

City Manager Hegwer distributed responses to Council inquiries from the June 8, 2011 budget session. (Exhibit A)

Mayor Olive stated that she would have to leave in four minutes and asked Council members for a subsequent date to meet. Council Member Charles Taylor asked about meeting Tuesday afternoon and winding up on Wednesday. Council Member McNeil stated he could not be present Tuesday.

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

**RECESS**

Mayor Pro Tem Sam Gaskins made the motion to recess until Monday, June 13, 2011 at 10:00 A.M. in Council Chambers at City Hall; seconded by Council Member Bob Brown, the motion passed unanimously.

Respectfully submitted,

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CORNELIA P. OLIVE, MAYOR

ATTEST:

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JANICE COX, DEPUTY CITY CLERK