

MINUTES
SPECIAL MEETING/BUDGET WORK SESSION
TUESDAY, APRIL 14, 2009
9:00 AM.

{Summary minutes of City Council meeting. Audio tapes of the meeting are on file and are included by reference as part of this meeting. An agenda of this meeting has been either mailed or made available to persons, organizations and local news media as per their request. The agenda gives the date, time and place of the meeting as well as the order of business. This disclosure is in compliance with the South Carolina Code of Laws of 1976, Section 30-4-80 (e).}

A special meeting/ budget work session was held on Tuesday, March 14, 2009 at 9:00 A.M. in the City Municipal building with the following present:

COUNCIL: Mayor Harold Thompson, Mayor Pro Tem Henderson, Councilmembers Tommie Hill, Sr., Robert Garner, Ricky Todd Harris, Orangelow Ruff and Andy Bailey.

CITY ATTORNEY: Billy Whitney

DEPARTMENTAL STAFF: Gloria Rogers – Municipal Clerk/Personnel Director; Sam White, - Captain, Perry Harmon – Public Service Director; Joe Nichols – Utility Director; Walker Gallman – Finance Director; Mike Petrie – Maintenance Shop Director; Laura Hembree – Accounting Supervisor and Melissa Youngblood – Media Technology Coordinator.

NEWS MEDIA: Steve Ramsey-WBCU and Charles Warner – Union Times

OTHERS: David Fant

Mayor Thompson called the meeting to order.

Invocation was given by Mayor Pro Tem Henderson. The pledge of allegiance was given by all present.

Utility Director Joe Nichols presented an ordinance to approve the sale of the Peak Generation Facility to Lockhart Power Company. Lockhart Power Company has presented to the City of Union a real estate purchase and sale agreement for the Electric Generating Facility located at 198 Times Boulevard. The purchase price for the Generating Facility and land is \$1,510,000. The recommendation is to approve 1st reading of the ordinance.

MOTION by Councilmember Garner to pass 1st reading of the ordinance.

SECOND by Councilmember Henderson.

CARRIED UNANIMOUSLY.

The Utility Director also discussed the agreement that was offered by Lockhart Power Company to the City of Union for power purchase. Staff recommendation is to authorize the Mayor to execute the Power Purchase Agreement between Lockhart Power Company and the City of Union.

MOTION by Councilmember Ruff to accept recommendation.

SECOND by Councilmember Hill.

CARRIED UNANIMOUSLY.

Finance Director Walker Gallman discussed Phase II of the Buffalo Sewer Project. The City of Union and Union County, with the City being the lead applicant, intend to make an application for Community Development Block Grant funding through the Community Infrastructure Program to pay for the cost to construct approximately 705 LF

of 2-inch and 2,330 LF of 8-inch PVC sewer line, replace 20 manholes, excavate and resurface. The recommendation is to authorize Mayor to provide a cash match of \$50,000 for the Buffalo Community Sewer project and any additional funds required for the completion of the project.

MOTION by Councilmember Henderson to authorize Mayor to accept recommendation and to pass a resolution.

SECOND by Councilmember Harris.

CARRIED UNANIMOUSLY.

Finance Director Walker Gallman presented the budget overview. The general fund charges all utilities a franchise fee based on 5% of prior year audited revenues. The general fund is also reimbursed for a percentage of legislative, personnel, attorney, facilities and general administration. The Solid Waste Management Act requires full cost disclosure to include administrative cost. There is a transfer from general fund of \$130,000. The franchise fee from utility is down \$276,200 from last years proposed budget. There is an overall budget decrease of 16% from last year's budget.

The Finance Director discussed factors contributing to the general fund's expenditures. The consumer price index is 4.3%. There is not a cost of living increase for employees in the proposed budget. Insurance for employees does not propose an increase; however, there is an anticipated 5% increase on the employer's cost. Worker's compensation has a 5% increase. There is not a retirement cost increase. Fuel has decreased by 24% from last's year's budget. The general liability insurance has decreased. There is a proposed decrease in the Public Safety Department due to the loss of 2 SRO positions and the reduction of 1 vehicle. In the Public Service Department, this department proposes to suspend transfer to Sidewalk Funds and instead use funds appropriated in the department to compliment any "C" funds received for sidewalks and street resurfacing. There is an increase in The Union Connection due to cost of a fiber transport fee request.

Finance Director Walker Gallman discussed ways to balance the general fund such as: raising revenues (taxes and fees, franchise fee from utilities and use of fund balance and reducing expenditures (services provided, loss of personnel, delay purchase of equipment and funding of outside agencies.)

Other items discussed were: property taxes, vehicle taxes, penalties, payment in lieu of taxes, business license, permits, intergovernmental revenue, state collected taxes and capital-vehicles, equipment and improvements.

Solid Waste Management issues to be considered were discussed. There is a question of how City will balance Solid Waste Management budget going forward. Staff recommends a \$1 per increase per month that would generate approximately \$49,000 a year or to privatize all or part of operation.

Capital improvements summary was discussed for FY2010. Electric rates for utility will remain the same but a purchase power adjustment will continue to true-up the cost of electricity each month. Security lights increase is proposed in budget to cover the cost of changing to metal halide. The increase will be implemented over a 3-year period. Water rates will remain unchanged. Sewer rates will increase by approximately 10%. Natural gas base rates will increase as well as connection and tap fee.

The Finance Director continued with the discussion of personnel issues, personnel changes, insurance and Community Change. He also discussed an agreement between the City and the Salvation Army. The City's agreement with the Salvation Army is to fund them \$1,750 a month. The agreement will expire June 16, 2009 unless renewed.

The Tax Increment District was discussed. The original loan was paid off this month. The Tax District boundaries were amended by City Council on March 16, 2004. The first amendment to the redevelopment plan authorizes the City to undertake one or more of the following additional projects such as educational building to be used by the school district, multi-purpose district for use by various agencies or recreational facility/community center.

The Finance Director discussed the City's Special Fund that is proceeds from the old Union High School that burned. To date that fund has a balance of \$911,000. These funds have not been restricted to any one project and can be used as directed by City Council.

Utility Director Joe Nichols presented the Utility Budget for FY 2010. He first gave an overview of construction projects that includes the sewer to Jonesville Elementary School, South Street Bridge Construction and the Beltline Pump Station Construction. He next discussed economic development. Total investments for economic development by the City of Union are: Timken Industrial Services – 1.5 million, Timken Sports Complex - \$800,000, Quick Jobs - \$315,000 and Old Coca Cola Building - \$250,000. Mr. Nichols presented the Utility Department Organizational Chart. There are currently 2 vacancies in this department.

Operating cost for utilities was discussed. The electric distribution system was discussed. There are presently 7,100 customers on the system. The water distribution system was discussed. The source of water is from Broad River. There are 6,300 customers on the water distribution system. Capital improvements for water were discussed. The wastewater system was discussed. There are 5,100 customers on the wastewater system. Wastewater construction was discussed. Construction includes the Tosch Creek Supernate Pump Station, Meng Creek Caustic Tank, New Sims School on Whitmire Hwy and the Beltline Pump Station. Capital improvements for the Sewer Plant were discussed. The Transcontinental Gas Pipeline and Transco Connection along with the natural gas distribution system were discussed. There are presently 6,500 customers on natural gas. Gas Department Construction Projects were reviewed: SC Hwy. 215 – Mt. Lebanon Road to SC Hwy. 150 – Spartanburg. Current security light rates and security light comparison were discussed. The proposed water tap fee and current gas service policy were discussed and a proposed natural gas tap fee.

Personnel Director/Clerk Gloria Rogers gave an update of this department. The City provides health insurance to employees. There will not be a premium increase for employees; however, there will be a 5% increase for employer over last year's fiscal budget. The City continues to administer the Money Plus Plan. The City has been using this plan since 1998. The plan enables employees to pay out-of-pocket child care or health expenses from pre-tax dollars, with more money being left in the pocket of the employee. Other employee benefits include buy-back for sick leave that rewards employees for not abusing the use of sick leave, wage & comp study. Training remains a top priority. The Safety Consultant has proven to be an effective way to curb the rising cost of worker's compensation. This is a 5% increase in worker's comp. There are 130 budgeted positions, 122 full-time employees, 8 part-time position and 7 elected officials.

Finance Director Walker Gallman gave presentation for the Building & Zoning Department. Included in this budget is a Building & Zoning Official who will remain under contract to perform inspections. City Council discussed condemned houses. These will be passed on to the Building & Zoning Department for review.

Media Technology Coordinator Melissa Youngblood gave an overview of Channel 14. Channel 14 is a local public, education & government access channel. It has been aired since June 14, 2007. Channel 14 provides educational programs to benefit our citizens, government information, public announcements, as well as entertainment. Ms. Youngblood discussed the process of a video aired on Channel 14, the editing process and scheduling process. The upload process was discussed. This process currently takes an extremely long time to complete. Fiber Optic Cable would eliminate the use of the upload process. Fiber Optic would allow for live council meetings and anything else filmed in City Hall to be live. Last year's quote was 5M Symmetrical Optical Circuit for \$625/month-36 month agreement with \$500.00 installation fee. This year's quote is 50MBPS Symmetrical Optical Circuit for \$500.00/ month – 36-month agreement with \$500 installation fee. Other issues discussed were personnel, DVD sales, travel/mileage and training.

Maintenance Shop Director Mike Petrie gave an overview on this department. This department provides maintenance service on a little over 200 pieces of vehicles and equipment. This department consists of 4 employees. Their budget is up 1% over last year's budget.

Public Service Director Perry Harmon gave an overview of the Public Service Department. He discussed the Pinpoint System. This system helps in reducing mileage. Personnel represent 56% of the department's overall budget. Mr. Harmon discussed the automated, rear loader, brush, bulk and leaf truck. The Transfer Station Operations and Kenwood Landfill were discussed. The Solid Waste Division is asking questions such as how do they improve, hold cost, reduce cost and keep the same level of service. Council approved in last year's budget a Brush/Bulk Waste Truck. This is a one-man operation. The Street Department provides the following services: grass mowing, catch basins, snow removal, park maintenance, storm damage, 10-45 removals, weed control, street sweeping, litter control, concrete work, asphalt repair, driveways, concrete pipe, signage, tree trimming and dirt hauling. The City owns and maintains the following parks: Foster Park, City Park, Moorer Field, Flower Gardens, Entrance Ways, Union Mill Property and Festivals and Special Events.

Chief Sam White gave an overview of the Public Safety Department. He presented Public Safety's Organizational Chart. This department consists of 40 full time employees and 4 part-time employees. Chief White discussed the School Resource Officer's Program. The Chief also discussed gang-related incidents in high schools around the world. He also discussed gang-related drawings on restroom walls at the Union County High School. The Chief also briefly discussed firearms. He discussed reason that his department has to utilize overtime such as fire hydrant flushing, the 4th of July, ballgames and events at the park. Mayor Thompson asked him to work on reducing overtime. PSO's working off duty was discussed as to whom would be liable if the officer is injured. The Mayor states that this situation needs to be addressed by the City or the Labor Attorney.

Accounting Supervisor Laura Hembree presented the budget for Finance & Utility Billing. The organizational chart was reviewed. The Finance Department has a budget of \$427,500. In this budget there is a \$4,000 decrease due to the elimination of overtime. The proposed finance budget for FY2010 is \$469,520. The department consists of 11 employees, whose duties include establishing utility service, meter reading, billing and collection. The Utility Extension Guidelines was discussed. City of Union current fees were reviewed.

Budget worksession adjourned at 3:50 p.m.

WEDNESDAY, APRIL 15, 2009

COUNCIL: Mayor Harold Thompson, Mayor Pro Tem Keith Henderson, Councilmembers Tommie L. Hill, Sr., Robert Garner, Ricky Todd Harris, Orangelow Ruff and Andy Bailey.

CITY ATTORNEY: Billy Whitney.

DEPARTMENTAL STAFF: Gloria Rogers – Municipal Clerk/Personnel Director; Sam White, - Captain, Perry Harmon – Public Service Director; Joe Nichols – Utility Director; Walker Gallman – Finance Director and Laura Hembree – Accounting Supervisor. Mike Petrie – Maintenance Shop Director was absent due to attending CDL Training in Columbia, SC.

OTHERS: Brian Stone, Hugh Rowland, Torance Inman, Heather Patterson, Scott Sandor, Jeanne Alexander, Nancy Rosenwald, Harriett Berry, Bennie Giles, Kim Morris Lawson and Nanette Jenkins.

Mayor Thompson called the meeting to order. He gave the invocation.

The pledge of allegiance was given by all present.

Brian Stone, Chamber Incoming Board President addressed Council. They are requesting funding in the amount of \$49,600.

Dean Hugh Rowland, Chamber Board President also addressed Council. He gave an update on services the Chamber provides.

Mr. Stone continued with the Chamber's presentation. He presented the 2009 goals. Their mission is to coordinate with related agencies to ensure their missions are complementary, not duplicative or omissive, promote membership by communicating the economic value which membership brings to its members, work with members considering leaving due to financial hardship, show mercy for businesses about to close, and brainstorm with local leaders about how to help support these businesses through rough times. Budget and staffing were discussed. The Chamber operates under a very limited budget. Expenditures have been limited to overall cost of operations and event promotions. The staff consists of 2 full time employees and 1 part-time employee. There has not been an increase in salaries in 5 years and capital improvements have been deferred.

Heather Patterson of Youth Leadership Union addressed Council. There are currently 14 students in Leadership Union. They are requesting funding in the amount of \$5,000.

Finance Director Walker Gallman reviewed the general fund budget on how the City will balance the budget. The general fund considerations were reviewed.

There was a brief discussion on The Union Connection's budget. Mayor Thompson recommends that The Union Connection budget be reduced by not funding the request to purchase the Fiber Optic Cable. Council discussed scaling back on hours by only filming government and educational information. Council asked that this department review and reduce budget to \$100,000.

Mr. Scott Sandor, Director of the YMCA addressed City Council. He gave an update on the YMCA. Currently there are 1916 members. The Y's program consists of sports such as soccer, swim team, flag football and basketball for high school and adults. The after school program is still in existence. There has been a reduction in numbers as a result of school changes. There are plans to be a provider of after school programming at new school (Jonesville). During the summer there is a summer day camp program planned. Also the YMCA will have a Summer Food Program where they will deliver 240+ meals to youth throughout the county. Fitness programs are held at the YMCA. Mr. Sandor is requesting that City Council increase pool operation funding from \$75,000 to \$80,000 and also increase partnership funding from \$25,000 to \$30,000. Council will take budget request into consideration.

The Finance Director continued to discuss general fund considerations such as the loss of 2 SRO's in the Public Safety Department. Cutting out overtime in this department and whether Council should fund the purchase of 2 vehicles were discussed.

Jeanne Alexander, Chairman of Board of Directors of the Union County Carnegie Library addressed City Council. The Library received the "Best Small Library In America" Award for 2009. Union Carnegie Library funding crisis is that state funding has been cut by 5% since July 2008. There have been no increases in local funding since 2002. There is no lottery funding expected. Ms. Alexander thanked Council for last year's funding in the amount of \$2,500. Ms. Rosenwald proposes to start a teen section. She is requesting that Council fund 1 staff personnel to head teen program.

Ms. Harriett Berry, President of Art Council gave presentation to City Council. Bennie Giles, Kim Morris Lawson She gave an update of the activities and art shows. Bennie Giles and Kim Morris Lawson of the Arts Council were also in attendance. They are requesting that the City make a 3-year commitment to fund a director.

Council continued to discuss the Public Safety Department's SRO Program. They recommend that the two SRO's remain in budget and overtime line item is \$100,000 and the purchase of two vehicles be included in budget.

Nanette Jenkins, representative of Boogaloo Productions gave Council an update on Boogaloo. They are a local community theater. She thanked Council for their past year support. Ms. Jenkins asked that the City of Union fund them on the same level as last year in the amount of \$5,000. Boogaloo will present a summer show from June 4 to June 14, 2009.

Funding for sidewalks will not be included in this year's budget.

Council will fund outside agencies at the following level:

Museum –	\$14,400
Chamber of Commerce –	\$37,600
Olde English District –	\$2,340
YMCA -	\$75,000
Union County Recreation Dept. -	\$10,000
Boogaloo Broadcasting Co. -	\$5,000
Uniquely Union Festival –	\$2,000
Union American Red Cross -	\$2,500
Union High Band-Aid Club -	\$350
Youth Leadership -	\$4,000
Veteran's Day Parade -	\$1,000
Union Co. Branch NAACP -	\$2,000
Union County Crime Stoppers -	\$1,000
Union County Arts Council -	\$2,000
Federation of the Blind -	\$500
The American Legion -	\$1,000
Mental Health of America -	\$250
Union County Carnegie -	\$2,500

Cost of living raise for employees was discussed. The majority of Council agreed to implement a cost of living increase for employee's at 1%.

The Coca-Cola building was discussed. The only repairs to building will be leaks on roof.

Solid Waste Management was discussed. Council discussed implementing the \$1 increase per month. This would generate approximately \$49,000.

The purchase of a Vehicle Maintenance Software Program was discussed.

A natural gas service truck request is included in the utility budget. This request was approved for purchase as well as wireless applications (cameras on Main Street) in the department.

Capital Improvements Summary for FY2010 for electric, water, wastewater and gas is \$3,439,000. Electric rates will remain the same for FY 2010. There is a proposed security lights increase to cover cost of changing to metal halide. Water rates will remain unchanged. Sewer rates will increase by approximately 10% and natural gas base rate increase has not been determined. There will be an increase in connection and reconnection fees as well as policy change on after hour calls.

The Utility Director reviewed the security light comparison. There is a proposed security light rate increase for FY2010. The water tap comparison was reviewed. There is a proposed water tap fee increase. The natural gas tap fee comparison was also reviewed.

The Finance Director discussed charging a customer a \$100 service charge for after-hour's trouble calls.

Budget Worksession

Community Change was discussed. The agreement to fund the Salvation Army is \$1,750 per month and will expire 6/16/2009 unless renewed; a 60-day notice is required to terminate agreement. City Council agreed to give notice to Salvation Army to re-negotiate agreement.

The Finance Director discussed the Tax Increment District and Special Fund.

City Council will meet again on April 27, 2009 at 1:00 pm to complete budget process

Budget worksession adjourned at 4:27 pm.

Gloria J. Rogers, Municipal Clerk

Minutes Approved _____ 2009