

MINUTES
BUDGET WORK SESSION
TUESDAY, MARCH 23, 2010
12:00 NOON

{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 budget work session was held on Tuesday, March 23, 2010 at 12:00 noon in the City Municipal building with the following present:

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

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; Brian Blackwell – Building Official and Melissa Youngblood – Media Technology Coordinator.

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

OTHERS: None

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

Finance Director Walker Gallman thanked Department Heads for the work on the budget and also commended City employees for their job performance for the City.

Mr. Gallman states that this year we will be taking a look back so that we may plan to go forward. He discussed the transfer from the enterprise fund to the general fund and the overhead allocation between funds to cover the cost of administration.

Solid Waste Management was discussed. This was established July 1, 1995 and the pickup of dumpsters for residential pickup was outsourced. The transfer station was constructed in 2002. Current monthly charge for garbage pickup is \$12 a month plus a transfer of \$130,000 from the general fund. An extra \$1 per month would generate approximately \$49,000 of revenue a year. Major capital expenditures in Solid Waste is to be considered is the lease or purchase of the Brush Truck.

Next Mr. Gallman discussed the Utility Enterprise Fund which consist of electric, water, sewer and gas. Online payments were discussed.

Solid Waste has an 11% increase in this year's budget and the Combined Utility Fund is up 3%.

Other issues discussed:

- The Victim's Assistance funding was discussed. Drug arrest funds can be used for law enforcement.
- Community change brings in \$21,000 a year. Economic Development was discussed.
- Tax Increment District will be used to pay back bond borrowed to construct the Union Art Center. This is a 2% increase over last year budget. There is no tax increase or salary increase in the proposed budget.

Factors contributing to the General Fund's Expenditures are:

- Consumer price index – 2.9% increase
- No cost of living increase proposed to employees
- Health Insurance is anticipating a 9.5% increase beginning January 1, 2011 for employer and employee.
- Workman's Comp has stabilized due to the use of deductibles
- Retirement cost to the City employer part will increase to 9.39% for member in SCRS and to 11.05% for members in the PORS
- Fuel cost is beginning to increase and there is a need to continue to monitor use of vehicles
- General liability insurance is stable but experiencing increases in the use of deductibles
- 3% increase in General Administration due to funds appropriated for payment to Buffalo Fire District due to annexation
- 2% decrease in Legislative budget due mainly to less funds appropriated for Christmas decorations
- Community Services shows a slight increase but could change based on the funding of outside agencies
- City Court and the Attorney departments show no change compared to last year's budget
- The Union Connection has a slight increase – will use 4 temporary employees to assist in filming events
- City facilities maintenance has increased approximately 6.88%.
- Public Safety shows a small decrease due to not requesting vehicles but an increase in the special contract due to increase cost to house inmates
- Street Department is unchanged
- In Planning there is a 6% increase due mainly to the restructuring of the department

The Finance Director discussed the comparison of City Tax Rates and Fee In Lieu of Taxes by breakdown by division.

Business License was discussed. Fees that are collected by MASC were discussed. This includes Telecommunications, Insurance License and Bellsouth Franchise. State Collected Taxes and Fines/Fees were discussed.

Outside agencies were discussed. Agencies will present their budget on Wednesday, March 24, 2010 and Thursday, March 25, 2010.

General Funds Summary was reviewed regarding how budget can be balanced:

- Raise taxes – 1 mill will generate \$13,700, raise other fee's
- Local Option Sales Tax Referendum, Hospitality Tax and Accommodations Tax/use of funds limited, reduce expenditures/outside agencies or use fund balance to balance budget.

Solid Waste Management issues to be considered are: lease or purchase of brush truck, alternatives for pickup/disposal for brush, contract with private dumpster hauler will be on agenda for Council's consideration at the April Council Meeting; monthly fee and fuel. There are several ways to balance the Solid Waster Management fund: continue transfer of \$130,000 G/F; lease instead of buy brush truck/1st year debt service - \$114,000; increase garbage fee - \$1 year debt service which generate \$49,000; charge for brush pickup or prior year retained earnings.

Personnel issues were reviewed. There are no additional employee request and no losses. There is not a cost of living increase in this proposed budget.

Next the Tax Increment District was discussed. The effective date is December 1993. This was amended on March 16, 2004 to include City Park and the Union Mill property.

Laura Hembree, Accounting Supervisor, discussed the Finance & Utility Billing Division. The Finance Department consists of (5) employees. This department has a budget of \$470,720 for FY2010-2011. The department duties include accounting, payroll, accounts payable, and tax collection. This budget includes expenses for the Business License Coordinator. This position was not moved to the Finance department as originally planned for this fiscal year. The funds for this position will be transferred to the Building department. Proposed for FY2011 includes an increase in communications line item, due to increase in cost of postage, slight increase in Maintenance Contract line item, increase in Auditing/Consulting line item, adding computer software budget to cover computer operating system licenses, remove funds for Business License Coordinator in personnel line item. The Utility Billing Division consists of (9) employees. For FY2010-2011 this department has a budget of \$581,230. The primary duties of this department include establishing utility service, meter reading, billing and collection. Utility Billing administers the Debt Setoff Program, Red Flag and Online Utility Payments. Proposed for FY2011 includes an increase in the Professional Services line item to cover additional costs of credit card processing and identify check processing and an increase in the Equipment Lease line item. Computers are purchased on an as-needed basis. The monthly lease fee for these computers has increased over the last few years. A Call Center was discussed. This will allow for up to ten (10) employees to log into the telephone system.

Utility Director Joe Nichols presented his department's budget. He began with Economic Development that includes the following:

- QuickJobs Development Center has been completed. City investment in project is the land, \$315,000.
- The Timken Sports Complex has been completed. City investment in project is \$800,000.
- Timken Industrial Services - 1.5 million for upfit of the Spec Building
- The Coke Building demolition is complete. Total investment is \$252,000 which includes the asbestos removal and demolition.
- The demolition of building for the Union Arts Center is underway. This is a \$2 million dollar facility.

Mr. Nichols discussed the Electric Distribution System. There are 7,039 customers on this system. Operating costs for utilities were discussed. This includes the Tosch Creek WWTP, River & Reservoir, WPLT & Tanks, Meng Creek WWP, Lift Stations, Gas and Electric Generation. Total operating costs are \$651,672. Proposed security light rate schedule was discussed. There is a slight increase over last year's rates.

Purchase Power Adjustments were discussed. In January of every year, PMPA "True-Ups." In May of every year our electric rates are adjusted by Lockhart Power Company and PMPA.

Capital Improvement in the Electric System Forecast for 2010-2015 was discussed. The Water Distribution System and Capital Improvements were discussed. The Natural Gas Distribution System and the current gas service policy were also discussed.

Personnel Director/Clerk Gloria Rogers presented the Legislative Department Budget. Health insurance was discussed. The City provides health and dental insurance administered by the S.C. Budget & Control Board. There will be a premium increase of 9.5% for employer plus subscriber effective January 1, 2011. The City has been using Money Plus since 1998. Also other employee benefits were discussed. Training remains a top priority & employees are urged to develop their work skills. Safety Training is still in place and the Drug and Alcohol Testing continues to be administered for CDL drivers. The City of Union has 130 budgeted position and 122 full time employees, 6 part-time employees, 2 part-time temps and 7 elected officials.

Brian Blackwell, Building Official, presented the Planning Department's budget. The Planning Department continues to handle daily operations regarding planning and development activities as well as licensing for contractors and businesses within the City of Union. Mr. Blackwell reviewed the goals & objectives the Planning Department

which includes the continuation to condemn substandard dwellings & buildings, continue to work with Catawba Regional to update Land Use Plan and Zoning, implement a Standard Valuation Table on new construction and additions, continue to work towards making this department more user friendly and implement and adopt new Flood Damage Prevention Ordinance. Permits issued in this department totaled 530 and 1098 business license were issued.

Melissa Youngblood gave an overview of The Union Connection Cable Channel 14. Channel 14 is a local public, education & government access channel. It has been on air since June 21, 2007. Channel 14 has proven to be something citizens love to watch. Channel 14 provides educational program to benefit our citizens, governmental information, public announcements as well as entertainment of local events. Personnel include a Media Information Technology Coordinator and Videographers. DVD of videos shown on Channel 14 can be purchased at the cost of \$5.00 each. Since July 1, 2009 to date March 4, 2010, \$1,800 of DVD's has been sold. Expenditures for Fiscal Year 2009-2010 were discussed.

Mike Petrie, Maintenance Shop Director, gave an overview of his department. This department provides maintenance service on a little over 200 pieces of vehicles and equipment. This department consists of 4 employees. Vehicle Maintenance is up 2% over last year's budget.

Perry Harmon, Public Service Director, presented the Public Service Department budget. This department handles streets, solid waste, and the parks. The bid opening for container collection and waste disposal services was held on March 16, 2010. The City received the following bids from three companies: Waste Industries, Inc., Waste Management and Republic Services. The lowest bid was Republic Services Corporation. This department maintains parks owned by the City of Union and entrance ways into the City.

Sam White, Public Safety Director, discussed the Public Safety Department. His department consists of 37 full-time employees and 4 part-time employees. He reviewed overtime for the Public Safety Department. Public Safety had been awarded three grants. They are Digital In-Car Video Systems - \$65,000, Equipment Grant - \$53,197.00 and Weapons Grant - \$12,951.00. Chief White discussed Global Positioning System (GPS). Public Safety currently has 13 units. These units have a monthly monitoring fee in the amount of \$580.49. Portable lighting was discussed. Gun Safety Program in Elementary Schools was reviewed.

Budget work session adjourned at 6:35 P.M.

WEDNESDAY, MARCH 24, 2010

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

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

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 Mike Petrie – Maintenance Shop Director.

CITY ATTORNEY: – Billy Whitney

NEWS MEDIA: Nathan Christopher – Union Times and Steve Ramsey – WBCU Radio

OTHERS: Torance Inman, Mickey Gist, Heather Patterson, Auvis Cole, Modest Keenan, Lou Stackhouse, Jeanie Alexander, Beth Weed, Carol Willis, Tommie Sinclair, Jayne Scarborough and Terry Davis.

Mayor Thompson called meeting to order and gave invocation.

Torance Inman, Chamber Director, addressed City Council. They have 216 active members and this generates a little over 30% of their revenue. Mr. Inman is requesting the same level of funding (\$49,600) as previous year. Mickey Gist, Board Member, addressed City Council. Mr. Gist has been on the Chamber Board for 10 years and Thursday, March 25, 2010 will be his last day as a Chamber Board Member. He thanked City Council for their support and request that they continue to support the Chamber of Commerce.

Heather Patterson, Youth Leadership Coordinator, addressed City Council. She thanked City Council for the support of Youth Leadership. She is requesting the same level of funding in the amount of \$5,000 as last year.

Auvis Cole, Union County Tourism Director, addressed City Council. The Union County Tourism began in 2006. In 2008 Union County received \$12.1 million from domestic travelers. The travel expenditures benefited area residents with \$1.85 million in wages and salaries, including over 100 plus jobs. Almost 100% of UCTC is generated through the Accommodations Tax the county receives. Mr. Cole discussed marketing, the new attraction guide and the stand alone Kiosks beginning with 3 for selected sites. UCTC is requesting 50% of the Accommodations Tax that the City of Union receives.

Modest Keenan, Jr., President of NAACP addressed City Council. He thanked Council for their support of the MLK Day Celebration. Mr. Keenan states that he does not know what level of funding the MLK Day Celebration would require since they presently have funds for the program in the amount of \$2,000. He will request funding if needed.

Lou Stackhouse, Executive Director of Union County Disabilities and Special Needs Board addressed City Council. She discussed the McCormick Greenhouse located behind Union Services on Industrial Park Road. The greenhouse was built through on-going fundraisers provided by many caring people in the community. Last fall DSN Board was unable to open the greenhouse because of budget concerns and the unknown cuts. They do not want to miss another season, and this is the main reason for their request. Ms. Stackhouse is requesting funding in the amount of \$2,000 to \$2,500.

Jeanie Alexander of the Union Carnegie Library addressed City Council. She discussed the library and the many programs the library offer such as computer use and the reading program during the summer. They are requesting funding in the amount of \$23,000 for operating cost.

Carol Willis, Union Services Manager, of the Piedmont American Red Cross addressed City Council. Ms. Willis states that during the past year, the Union Office assisted 34 individuals in Union County (all victims of fires) with food, shelter, clothing, eyeglass replacements, prescription replacements, as well as helping many get back on their feet by giving rent assistance. The Red Cross does not receive funding except for donations. They are requesting funding in the amount of \$2,500.00

City Council discussed the following agencies to determine the level of funding for the following outside agencies. The funding request has a 5% budget cut.

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| Grant Writer – | Same level of funding - \$36,000 (contract) |
| Museum – | \$14,754 |
| Chamber - | \$35,720 |
| Red Cross – | Provide them with office space at the City |
| Youth Leadership - | \$ 3,800 |
| Veterans Day Parade | \$ 950 |
| NAACP – | \$1,900 |
| Crime Stoppers– | \$ 950 |

Arts Council – \$1,900
Federation of the Blind - \$ 475
Union County Library – \$2,375

Jane Scarborough, Director of the Olde English District, addressed City Council. She presented brochures that the OED publish. These brochures are placed at Welcome Centers in the OED Visitors Center, South Carolina Welcome Centers and the Charlotte/Douglas International Airport Welcome Center and OED Chambers. The OED promotes visitation and economic development through tourism for seven counties, including Union. The Olde English District is requesting \$4,104.00.

City Council will fund the Olde English District in the amount of \$2,223.

County Supervisor Tommy Sinclair addressed City Council. Mr. Sinclair discussed the Animal Shelter Agreement between the City and County. He discussed how many animals were brought in from the City. The Mayor and County Supervisor will meet at a later date to discuss the Animal Shelter Agreement.

Uniquely Union Chairman David Owens addressed City Council. This event is held the 2nd week in September. The event brings many people from out of town. Through hospitality tax the City does get something back from this event. Uniquely Union is requesting \$2,000 for this event plus \$1,000 from PMPA fund. The funding will be used for prize money.

Dr. Alan Charles, President of the Union County Historical Society, addressed City Council. Dr. Charles thanked Council for their continued financial support for the operation of the Union County Museum. They are requesting funding in the amount of \$15,530 for FY 2010-2011. Also they are also requesting replacement of the six year old computer in the Museum.

Terry Davis, SRO, is requesting funding in the amount of \$500 for the Torch Run and funding for the Golf Tournament.

Meeting adjourned at 4:10 pm.

THURSDAY, MARCH 25, 2010

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

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

DEPARTMENTAL STAFF: Gloria Rogers – Municipal Clerk/Personnel Director; Sam White – Public Safety Director; Perry Harmon – Public Service Director ; Walker Gallman – Finance Director; Laura Hembree – Accounting Supervisor; Mike Petrie – Maintenance Shop Director.

CITY ATTORNEY: Billy Whitney

NEWS MEDIA: Nathan Christopher – Union Times; Steve Ramsey – WBCU Radio and Graham Williams, Union County News.

OTHERS: Terry Davis, Scott Sandor, Mary Gossett, Kathy Stepp, Monte Lancaster, Bennie Giles, Graham Williams, Caroline Barger, Doris Russell and Kim Lawson.

Terry Davis addressed City Council. He is requesting funding in the amount of \$3,000 – (2,000) for Golf and \$1,000 for Special Olympics Torch Run. Mr. Davis gave a breakdown of expenditures.

Scott Sandor, Executive Director, of the YMCA gave City Council an update of the swimming pool project. Mr. Sandor reviewed the membership numbers. There is a 23% increase in membership from December 2007 to December 2009. He discussed the Summer Food Program. The YMCA is the sponsor of this program through the federal government. The YMCA is requesting the following funds: Pool Operation - \$75,000, Partnership - \$35,000 and Building Maintenance - \$30,000.

Mary Gossett, Program Manager Director of Carolina Community Actions addressed City Council. Carolina Community Actions receives state and federal funds. CCA, Inc. is a non-profit corporation whose mission is to promote self reliance of low-income individuals and families by forming partnerships which will provide a systematic reduction of the causes and conditions of poverty. Ms. Gossett discussed the various programs CCA, Inc. offers. One program that she specifically focused on was the assistance with utilities. CCA, Inc. qualifies applicants for assistance with their utility bill. CCA, Inc. receives Community Change funds from the City of Union.

Kathy Stepp, Boogaloo Board Chairman, addressed City Council. She discussed the Folk Life Productions of Boogaloo. Their goal is to continue this tradition of preserving our local history through folk like plays, building community spirit and attracting tourism to our area. Boogaloo is requesting the same level of funding as last year in the amount of \$5,000.

Bennie Giles, President of the Union County Arts Council, addressed City Council. She reviewed projects and fund-raisers in 2009. The Arts Council is requesting funding in the amount of \$8,000.

City Council discussed the following items:

- Outside agencies. All budget requests will be reduced by 5%.
- 1 cent Hospitality Tax and Accommodations Fee were discussed.
- City Council discussed a proposed joint City/County Meeting in April
- American Red Cross funding request was reviewed. The City will offer space to the American Red Cross in lieu of funding request
- American Legion will not be funded for FY2010-11
- Union Disabilities & Special Needs will be funded in the amount of \$1,000.00
- Torch Run will be funded in the amount of \$1,000

Finance Director Walker asked Department Heads to go back and take a look at their budget and cut by 5%.

The total budget for FY2010-2011 is \$43,858,000. The Finance Director discussed the General Fund Budget. Solid Waste Management was reviewed.

Summary of proposed rate increases in Utility for FY2010-2011 were discussed:

- Electric rates will remain the same.
- Security Lights – 5% increase per year
- Water rates need to be increased 38%, a 9.5% increase is proposed
- Natural gas base rates need to increase by 5%, but staff do not recommend any increases this year, but the PGA will continue each month to true-up the cost of natural gas
- Due to the lose of industrial load in all our utilities, consultants will study all rates and loads

Finance Director reviewed summary of proposed fees and utility rate increases:

- 1 cent hospitality and accommodations fee
- \$1 increase to SWM Fee - \$49,000 per year.
- Water & sewer rates – 9.5% increase by volume
- Water & sewer would generate an additional \$300,000 per year in revenue
- Continue the use of PPA and PGA
- Increase the monthly security light charge by 5%
- Building fees – implement the National Standard for determining the permit fee for new construction
- Continue the rate study of all utilities

Other considerations:

- Cap transfer from utility and SWM at current levels
- Authorize Mayor to look at alternative work schedule to work more efficient and provide better customer service
- Cut fuel usage by 10% - Department Head to monitor and report to Mayor each month
- Vehicles – require all vehicles and equipment be evaluated by maintenance before being replaced. Also, if vehicle is replaced a vehicle needs to be taken out of service
- Freeze hiring – evaluate each vacant position before rehiring to determine need.
- Discuss with County the possibility of combining building inspection departments

Council will meet on April 12, 2010 at 9:30 a.m. to finalize the budget.

Meeting adjourned at 3:00 pm.

Gloria J. Rogers, Municipal Clerk

Minutes Approved _____ 2010