

MINUTES
BUDGET WORK SESSION
THURSDAY, MARCH 23, 2017
5:00 PM

{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).}

The budget work session continued on Thursday, March 23, 2017 at 5:00 P.M. in the City Municipal building with the following present:

COUNCIL: Mayor Harold Thompson; Mayor Pro Tem Robert Garner; Councilmembers Tommy Anthony, Vicki Morgan, Ricky Todd Harris, Pamela Sloss and Sonja Craig

DEPARTMENTAL STAFF: Gloria Rogers – Municipal Clerk/Personnel Director; Sam White, - Public Safety Director, Perry Harmon – Public Service Director; Walker Gallman – Finance Director; Joe Nichols – Utility Director; Adam Harris – Assistant Utility Director, Leroy Edwards – Maintenance Shop Director; Laura Hembree – Accounting Supervisor and Melissa Youngblood – Media Technology Coordinator

NEWS MEDIA: Mike Stevens - WBCU

OTHERS: Andrena Powell Baker and Curtiss Hunter

Chief Sam White addressed council. He gave an overview of the Public Safety Department's organizational chart. He states that the Animal Control Officer's position has been consolidated with the County through an agreement since last year's budget; it has worked out well. The Public Safety Department consists of 38 full-time employees and 1 part-time employee. Chief White states that the past year has shown a lack of interest in the Public Safety Officer positions; a lack of qualified applicants applying and the inability for applicants to pass background qualifications. He believes that the lack of interest in becoming a police officer has to do with what is going on in the news nationwide. A lot of bad things have happened with police officers. Chief White states that about a year and a half ago, they were in a position to hire three PSO.'s but was unable to fill one of the slots. A firefighter with very good credentials was hired in the P.S.O. slot (firefighter's salary) and it has worked well. That is the reason why there is an extra firefighter in the department. There are currently three vacancies. Chief White request that if he cannot find PSO applicants to fill vacancies, then he be allowed to hire firefighters in PSO positions.

Accounting Supervisor Laura Hembree addressed council. She discussed the organizational chart for the Finance & Utility Billing. The Finance Department has an operating budget of \$112,000. This figure does not include personnel costs. The department currently has five (5) employees, whose duties include accounting, payroll, accounts payable, and tax collection. The utility billing department has an operating budget of \$162,000. This figure does not include personnel costs. The department currently has nine (9) employees, whose duties include establishing utility service, meter reading, billing, collection, and IT troubleshooting. Utility payment options, debt setoff program, red flag and deposits for service and Local Option Sales Tax (LOST) was discussed. The Accounting Supervisor discussed how the deposit process works for signing up for service. There is an increase in the overall operating budget of \$32,420. This is due to the increase in online and telephone payment processing fees, and a slight increase in billing software maintenance fees.

Salary and personnel for the Finance Director/department was briefly discussed.

Andrea Powell-Baker gave presentation on the Main Street Junction. She states that she is honored to be a part of something as big and important as the Main Street Junction. She commended City Council for funding this project and feels that the outcome will be very successful. The MSJ Committee believes this will revitalize downtown. There has already been some tourists (regional) activity as a result of the building. It has been open for business since August 2016. She discussed the Main Street Junction Advisory Committee. The City of Union staff is managing rentals, set up and clean-up, etc. She discussed furnishing and accessories for Main Street Junction. Revenue to date (August 2016 – February 2017) is as follows:

- 37 bookings (\$13K)
- 12 out of town (532 guests)
- \$67K economic impact
- Furnishings/Accessories
- \$45K private donations

A Facility Manager search is underway pending budget request approval by council. Mrs. Powell-Baker discussed the 2017/2018 revenue forecast for MSJ. The funding for MSJ premiere asset is the Main Street Junction Department financial commitment of \$100,000 from Hospitality and Accommodations Tax and the Main Street Junction revenue forecast.

Utility Director Joe Nichols presented the Utility Department Budget. He reviewed the organizational chart for employees in this department which is a total of 46. Recent new hires were reviewed. The 4 days a week; 10 hour day shift has continued to work well with the crews. Mr. Nichols discussed the electric distribution system. Total power cost was discussed. Lockhart Power PP charges comparison was discussed. The City of Union electric cost of service was discussed. The top 6 electric customers were reviewed. The Utility Director continued discussion on Purchase Power Adjustment which is the difference between the base cost and the actual monthly cost of power. Capital improvements for electric were reviewed. The Top 5 Water Customers were reviewed, as well as water districts annual consumption. Comparison of water rate study was presented. Capital Improvements for water and wastewater were discussed. PGA was discussed. Capital improvements for warehouse were discussed and completed projects for 2016 were discussed. Projects under construction were also reviewed. Comparison of electric rates compared to S.C. Cities, PMPA Cities, Regional Cities & York County cities were discussed. The Utility Director briefly discussed PMPA. A meeting was held today in Greer and the City will get a notice very soon because of the loan requirement 10 year notice for PMPA. In 2021 the City will have to decide if they want to stay in the PMPA arrangement or get out. Decisions will have to be made.

Councilmember Morgan suggests each department go back and look at cutting their budget 5% to 10% in order not to have utility rate increase for citizens.

Mayor Thompson asked all departments to go back and review their budget to reduce and bring back to council.

Council discussed reducing funding for outside agencies. Agencies will be funded at the following level:

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|-------------------------------------|----------|
| - Union County Economic Development | \$12,000 |
| - Youth Leadership | 3,000 |
| - Union County DSN | 1,000 |
| - Union Co. Carnegie Library | 2,000 |
| - NAACP-Union County Branch | 1,500 |
| - Union County Crime Stoppers | 750 |
| - Federation of the Blind | 480 |
| - Union County First Steps | 750 |
| - S.C. SBDC | 2,000 |
| - Meals On Wheels | 5,000 |

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- Rental Assistant – Flynn Bld.	15,600
- Special Event	5,000
- YMCA Partnership	17,000
- YMCA Facilities Maintenance	20,000
- Chamber of Commerce	35,720
- YMCA	50,000
- Utilities	7,200

Next outside organizations funded by Local and Accommodations Fee was discussed.
Organizations will be funded at the following levels:

- Uniquely Union -	\$17,500
- Union Arts Council	10,000
- Union County Tourism	16,500 (AG & Art included \$1,500)
- Union County Antique Farm	2,000
- USC-Union Upcountry Literacy	1,000
- Union Community Cultural Arts	100,000
- Special Events	50,000
- Olde English District	2,200
- Union Co. Historical Society	40,000
- Union County Fair Association	2,500 (contingent on legal findings)

Meeting will resume Monday, March 27, 2017 at 5:00 p.m.

Meeting adjourned at 8:27 PM

Gloria J. Roger, Municipal Clerk

Minutes approved _____ 2017