

MINUTES
BUDGET WORK SESSION
TUESDAY, APRIL 1, 2014
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 budget work session was held on Tuesday, April 1, 2014 at 9:00 am in the City Municipal building with the following present:

COUNCIL: Mayor Harold Thompson; Mayor Pro Tem Robert Garner, Councilmembers Tommie Hill, Sr., Yates Giles, Ricky Todd Harris and Jim Wilson. Councilmember Orangelow Ruff was absent due to illness.

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: Mike Stevens - WBCU

OTHERS: Torance Inman, Paul Winters, Leticia Wages, Ben Loftis, Bennie Giles, George Bruce, Harold Senn, Jamie Trammell, Doris Russell, Roger Bailey, Ola Jean Kelly, Charles E. “Buddy” Smith, Lou Stackhouse, Scott Sandor, Dorothy Jeter, James Rice, Raymond Sligh, Andrea Powell-Baker, Jane Scarborough, Kathy Stepp, and Larry Stevens.

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

Finance Director Walker Gallman welcomed everyone to the 2014-2015 annual budget worksession. He began by presenting the budget overview . The Finance Director states that the general fund is struggling this year and the City of Union needs to look at different ways of operating the general fund. This is due to revenues diminishing. revenues are not growing like the expenditure side is growing. There is a (\$635,420) deficit in the general fund budget. Next he touched on the solid waste fund. It is just status quo. There is an 8% rate increase for water and a 10% rate increase for sewer in the proposed budget. The Finance Director discussed personnel. There are no additional positions requested. Overtime will need to be reviewed. Health insurance has an increase of 4.05% for both employees and employer effective January 1, 2015. Workman’s compensation insurance experience rating shows a 40% increase or \$80,000 per year effective January 1, 2014. There is a 2% increase COLA recommended by the Archer Company, but is not included in the proposed budget. Mr. Gallman states that the budget process will began by hearing from outside agencies. They will present their information concerning their agency as well as funding request. He states that several of the outside organizations are now funded by the Hospitality and Accommodations Fund. He continued with the overview by discussing the general fund revenues to include graphs of historical trends and projections for the future. Also current legislation that will offset the State Shared Revenue going forward will be discussed. Next he discussed Solid Waste Management. The Solid Waste Management fee is \$15 per month, per cart. This fee, along with a transfer of \$49,110 from the General Fund, balanced the current years’ budget.

Next he gave an overview of the combined utilities – electric, water, wastewater and gas. The purchased power cost projections are estimated using the City’s cost of service agreement with Lockhart Power and a special billing arrangement with Lockhart Power.

Many customers have experienced higher gas bills this winter, not because of increased cost of gas but due to colder weather.

Paul Winters, Vice President of the Chamber of Commerce Board addressed council. He thanked council for their continued support. The Chamber of Commerce is requesting funding in the amount of \$49,600 for FY 2014-2015. This amount also include street maintenance which is about \$12,000 a year. The Chamber's funding request is the same as last year. Mr. Winters states that the Chamber provides administrative support for Crime Stoppers, the Farmers Market, and Oversees the Adult & Youth Leadership Union programs and other activities to promote Union. The Chamber of Commerce is actively involved with assisting local businesses and industries in meeting their current needs. Torance Inman, Director of the Chamber, discussed street cleaning on Main Street.

Letitia Wages, Coordinator for Youth Leadership Union addressed council. She thanked City Council for their continued support. Ms. Wages gave an update of the projects and programs for Youth Leadership Union. They are requesting the same amount of funding as last year.

Lou Stackhouse, Executive Director of the Union County Department of Disabilities & Special Needs addressed council. She discussed the renovations being done on their building due to water damage totaling over \$40,000. Union County DSN serves over 300 clients. They are requesting the same amount of funding as last year.

Ben Loftis, Director of Union Carnegie Library addressed council. He thanked council for their continued support. He gave an overview of the activities and programs offered at the library. They are requesting the same amount of funding as last year.

Jamie Trammell, Chairperson for the Uniquely Union Festival addressed council. She thanked council for their past support. Next she discussed the variety of activities and events for the upcoming festival. Ms. Trammell discussed the economic impact this festival will have on our town. Uniquely Union is requesting funding in the amount of \$30,000, the same as last year's request.

Bennie Giles, President of the Arts Council addressed council. She thanked council for their past support and funding. Also Harold Senn of the Arts Council addressed council. He states that they were forced to close because of much need repairs to sub-floor due to water damage. Even though they have been unable to use their facility, they have continued to provide what services they could. They are requesting funding in the amount of \$10,000, same as last year.

George Bruce of Union County Tourism Commission addressed council. He gave an overview of their goals for 2014. He informed council about the Clean Up- Day scheduled for April 26, 2014. They are requesting funding in the amount of \$30,000.

Paul Winters of the Union County Fair addressed council. He thanked council for the past support. Last year funding was used for marketing attraction. The Union County Fair is requesting funding in the amount of \$30,000 to fund the attractions and musical entertainment and the facility upgrade.

Charles E. "Buddy" Smith, Union County Historical Society President addressed council. He gave council a detail expenditures breakdown in reference to their funding request. Museum Director Ola Jean Kelly gave an update on the Union County Museum activities and the service. They are requesting funding in the amount of \$25,690.

Jane Scarborough of the Olde English District Tourism Commission addressed council. Their goal is to provide Union County with national and regional exposure they would not receive otherwise. Olde English District promotes a total of 7 counties. They are requesting funding in the amount \$6,440.00.

Melissa Lawson, Media Technology Coordinator addressed council. She gave an overview of the PEG Channel. The channel has changed from 14 to 192. It has been on air since June 21, 2007. There is one full-time position and 2 part-time positions in

this department. The Media Technology Coordinator gave an overview of operations expenditures for FY 2014-2015. The City of Union receives a franchise fee payment quarterly from Charter Communications for the Cable Television franchise ordinance which is 5% on gross.

Kathy Stepp of Boogaloo addressed council. She gave an update on two re-enactment by Boogaloo called "Whisperings" and "Moonlight Reflections". They are not requesting any funding this budget year.

Mike Petrie, Maintenance Shop Director, presented his department's budget. A total of 4 employees work in this department. This department maintains all of the City's rolling stock. This includes 9 vehicles maintained for the Housing Authority. His department performs daily minor and major repairs. Mayor Pro Tem Garner asked if there was a service record of maintenance performed on the vehicles. Mr. Petrie states that they have a board on the wall at the shop to schedule maintenance.

Dorothy Jeter, Secretary for the NAACP thanked council for their past support. She reviewed last year's expenditures. They are requesting funding in the amount of \$2,200, same as last year's funding. Ms. Jeter announced that The Freedom Fund Banquet will be held May 3, 2014 at 6:00 p.m. at the Pacolet River Association Building. Mayor Thompson thanked the NAACP for taking on the responsibility for Dr. Martin Luther King Day Celebration.

Gloria Rogers, Personnel Director/Clerk gave budget presentation to City Council. Training remains a top priority and employees are urged to develop their work skills. Life & Safety Consultants are used to help curb the rising cost of worker's compensation insurance. Drug & Alcohol testing policy as well as random tests for all drivers who have CDL driver's license remains in place. SMIRF & SCMIT have partnered with LocalGovU, an online training provider specializing in training local government. SCMIT member's benefits were reviewed. Budgeted positions were reviewed. The Wage & Salary Study by Archer Company was discussed. They are recommending at least 2.0% increase to reflect the wage and salary adjustments being paid by employers in the labor markets in which the City of Union competes for its labor supply. There are no budget requests for the Legislative Department. The rising cost of worker's compensation was discussed and additional ways to reduce cost.

Larry Stevens, Director of the S.C. Small Business Development Center addressed council. He thanked council for last year's funding. Mr. Stevens announced that he is on the Chamber of Commerce Board of Directors. His main goal is to help small businesses. The funding from the City of Union is being used to offset the cost for small business owners. He would like to set up a part-time person to be in the Union area to help small business owners. He is requesting funding in the amount of \$10,000.

Raymond Sligh of the Farm Show Committee addressed council. He discussed the Union County Antique Farm Show. In the years past, this show has attracted some 2,000 people as spectators and 75 exhibitors from S.C., Georgia & North Carolina annually, of antique tractors, hit miss engines, old farm equipment, woodworking, carving, blacksmithing, spinning, quilting, steam engines, cotton gin and much more. They are requesting funding in the amount of \$5,000.

Scott Sandor, YMCA Director addressed Council. They currently have 2462 members. There are currently 3 full time employees. The YMCA is requesting that partnership funding be reinstated to the level that it was five years ago. That is \$100,000 compared to the current level of \$81,380. The "Y" continues to serve more people and reaching out to the community through expanded programs being offered.

Andrena Powell-Baker, Director of the Development Board addressed council. She discussed new industries such as Gonvauto, ESAB and Belk Distribution. She discussed major accomplishments for 2010-2013. Ms. Power-Baker states that the focus of the Union County Development Board's planning is on product development (sites and building), leveraging marketing activities to develop and strengthen relationships with Site Selection Consultants & Center of Influence while bringing

awareness to Union County and its assets. The Development Board is requesting funding in the amount of \$10,000.

Brian Blackwell, Building Official addressed council. He reviewed the Planning Department's mission statement. Next he reviewed the organization chart. Mr. Blackwell discussed the Planning Department's goals & objectives. He discussed new construction; number of permits issued, business license issued. Sub-standard structure and public nuisance was also discussed. New software for permitting and business licensing was discussed. Mr. Blackwell thanked council for their continued support.

Perry Harmon, Public Service Director addressed council. This department does handle numerous activities such as grass mowing, catch basins, snow removal, storm damage, 10-45 removals, weed control, street sweeping, litter control, concrete work, asphalt repair, tree trimming and dirt hauling. Next he reviewed his department's budget. Parks that this department maintains was discussed. Solid waste division services provided are roll-out carts, brush and bulk waste pickup. The re-surfacing of the walking trail at Foster Park and the upgrade for Christmas Tree at Foster Park was discussed. Mr. Harmon discussed replacement of equipment for street and solid waste and cost over the next three years.

Accounting Supervisor Laura Hembree addressed council. She discussed the water bill policy. The City does provide a credit for sewer charges in situations where the customer can demonstrate that he has a leak in his piping and that the leaking water does not flow into the sewer system. The finance department has an operating budget of \$114,300. This figure does not include personnel costs. The department currently has five (5) employees, whose duties include accounting, payroll, accounts payable, and tax collection. Utility payment options, debt setoff program, red flag and deposits for service was discussed. The proposed budget total for 2015 will remain the same at \$114,300. There is a request for two (2) cars for meter reading – replacing a 2002 Chevy S-10 and a 2001 Chevy pickup.

Meeting adjourned at 4:30 pm

Wednesday, April 2, 2014

The budget work session continued on Tuesday, April 2, 2014 at 1:00 P.M. in the City Municipal building with the following present:

COUNCIL: Mayor Harold Thompson; Mayor Pro Tem Robert Garner; Councilmembers Tommie Hill, Sr., Yates Giles, Ricky Todd Harris and James Wilson. Councilmember Orangelow Ruff was absent due to illness.

DEPARTMENTAL STAFF: Gloria Rogers – Municipal Clerk/Personnel Director; Sam White, - Public Safety Director, 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; Gregg Pickens – Captain and Troy Wright - Lt. Training Officer.

NEWS MEDIA: Mike Stevens – WBCU

OTHERS: Danny Goldstein

Mayor Thompson called the meeting to order and Councilmember Yates Giles gave the invocation.

Chief Sam White addressed council. He gave an overview of the public safety organization chart. The Public Safety Department consist of 34 full-time employees and

7 part-time employees. This department is requesting three (3) vehicles. Public Safety participated in the Catawba Nuclear Exercise program and the Eddie Eagle Gun Safety Classes at elementary school. There were also field trips to the fire department by schools. This day was called "Careers On Wheels". Chief White states that he would like to find a way to give the public a more positive view of the City of Union Public Safety Department.

Danny Goldstein , Regional Sales Manager, of Navman Wireless addressed council. They provide tracking system for vehicles. He presented powerpoint demonstration on how the equipment works. Chief White discussed vehicles by divisions in the Public Safety Department that need GPS. There are several vehicles in his department that already has the tracking system.

Utility Director Joe Nichols presented the Utility Department Budget. He reviewed an organizational chart of employees for this department. He has lost several employees that has gone out on disability or retirement. These positions will be replaced. Mr. Nichols discussed the electric distribution system. He discussed the SCAMPS Residential Rate Comparison and PMPA – Lockhart Comparison was discussed. The cost of power has increased over the years. Next Mr. Nichols discussed PPA. PPA is the difference between the base cost and the actual month cost of power. He discussed the capital improvements for electric as well as the capital improvements for water and gas. There is a 10% increase proposed for sewer rates. CDBG projects were discussed.

Mayor Thompson states that there are no additional positions requested. He asked Chief White about overtime in his department. Overtime is due to PSO's having to come back for cases/jury trials and transporting subjects. After a discussion, Mayor asked Chief White to look into using the same constable that transports for the Union County Sheriff's office. There would be a potential savings for using their constable. Next he issued health insurance – increase of 4.05% for both employees and employer – effective January 1, 2015. Workman's compensation insurance experience rating has an increase of \$80,000 per year effective January 1, 2014. Our deductible is \$25,000 per occurrence. The Archer Company recommends a 2% increase but is not included in the proposed budget. A 1% increase equals \$95,000 including increased retirement and social security benefit. This amount does not include overtime. Council made a recommendation to give a 1% COL adjustment. Agencies will be funded as follows:

- Grant Writer	\$36,000
- Youth Leadership	3,800
- Union County DSN	1,000
- Union Co. Carnegie Library	3,000
- NAACP-Union County Branch	2,200
- Union County Crime Stoppers	0
- Federation of the Blind	0
- Union County First Steps	1,000
- S.C. SBDC	2,500
- Rental Assistant – Flynn Bld.	15,600
- Special Events	5,000
- YMCA Partnership	21,380
- Parking Lot Lease	2,200
- YMCA Facilities Maintenance	25,650
- Chamber of Commerce	35,720
- YMCA	60,000
- Utilities	8,570

Next the Finance Director discussed the estimated fund balance for the Local Hospitality & Accommodations Funds which totals \$240,000. The total projected revenue for FY2015 is \$390,000. The following will be funded out of the Local Hospitality & Accommodations Fund:

-	Uniquely Union	-	\$30,000
-	Union County Arts Council		10,000
-	Boogaloo		0
-	Union County Tourism		15,000
-	O& M		196,370
-	Special Events		51,500
-	Olde English District		2,220
-	Union County Historical Society		25,690
-	Union County Fair Association		5,000
-	Union County Antique		2,500
-	Union Literary Festival		1,000

Next the Finance Director discussed the general fund – revenues by type. He discussed the following ways to balance budget due to deficit (635,420).

- Raise taxes by 1.7 mills + 8.3 mills = 10 mills to cover deficit
- Add property tax surcharge to recoup prior year deficit – 1 mil = \$14,500
- Use of fund balance

Other revenue considerations are:

- Increase business license & building permit fees
- Increase transfer from utility (currently a transfer of 5% based on prior year operating revenues is included)
- Local Option Sales Tax (county referendum)
- Capital Sales Tax (county referendum; 7-year sunset rule applies)
- Consider ways to consolidate certain functions performed by both County & City (code enforcement & building inspection)
- Downsize City services resulting in a reduction of City employees.

Funding request for the Planning Department’s software will be looked at in the near future.

The Public Safety Department’s request for three vehicles was discussed. Two vehicles are replacement and one is an addition to fleet. This budget will be decreased by \$5,000.

The Finance Director discussed the Solid Waste Management Summary. He discussed ways to balance the solid waste fund:

- Transfer from General Fund
- Increase monthly fee by \$1 per month = approximately - \$48,200

There is a proposed rate increase of 8% for water and a 10% increase in sewer to offset deficiencies.

The Finance Director discussed the policy for adjustment of water bills for leaks, it will remain in place.

Utility Billing request for two (2) cars for meter reading – replacing a 2002 Chevy S-10 (#701) and a 2001 Chevy pickup (#704) will be included in the proposed budget.

A request for a line truck and service truck will be included in the proposed budget for the electric division.

The Utility Director discussed the mini compact excavator’s request. This will not be included in the proposed budget.

The Finance Director discussed the gas rebate policy. It will remain in place.

Budget Work Session
April 1 & 2, 2014

Budget recommendations will be incorporated in FY2014-2015 proposed budget.

Meeting adjourned at 6:38 p.m.

Gloria J. Rogers, Municipal Clerk

Minutes Approved _____ 2014