

MINUTES
BUDGET WORK SESSION
MONDAY, APRIL 13, 2015
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 Monday, April 13, 2015 at 9:00 am in the City Municipal building with the following present:

COUNCIL: Mayor Harold Thompson; Mayor Pro Tem Robert Garner, Councilmembers Tommy Anthony, Yates Giles, Ricky Todd Harris, Pamela Sloss and Jim Wilson.

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 and Charles Warner – Union Times

OTHERS: Torance Inman, Paul Winters, Dougie Adams, Leticia Wages, Lewis Jeter, Larry Stevens, Kim Lawson, Jamie Trammell, Bennie Giles, Doris Russell, Amber Ivey, Amy Smith, Dawn Childers, Catherine Childers, Raymond Sligh, Mike Scales, Curtis Hunter, George Bruce, Libby Oliver, Taccoa Switzer, Jane Scarborough, Andrena Powell-Baker, Lynn Mornane, Kathy Stepp, Jim Stepp, Scott Sandor, Reverend James A. Williams, Perry Haney, Bill Moore, Deborah Greene, Ben Loftis and others.

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

Finance Director Walker Gallman welcomed everyone to the FY 2015-2016 annual budget worksession. Mr. Gallman began by presenting the budget overview and revenue projections. Next he discussed the general fund revenues current property taxes and tax millage for surrounding cities. He states that this year is reassessment year and rollback mills must be calculated & used in reassessment year. New growth- segregated- can generate additional taxes. The millage can increase by the previous year's consumer price index and adjusted for population growth. The increase allowed is 1.46% or 1.22 mills; however, there are other avenues to increase millage rates. Vehicle taxes and penalties were discussed, as well as payment in lieu of taxes and fee in lieu of taxes. Fee's collected by MASC are telecommunication and insurance license fees. The Finance Director discussed intergovernmental revenue and state collected tax. Four and a half percent of the State's General Fund Revenue of the last completed fiscal year will be allocated to municipalities and counties. The general fund budget worksheet for FY 2015-2016 was discussed in comparison to previous year. Worker's compensation cost has increased again this year, even with the use of deductible.

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 \$51,000 for FY 2015-2016. This amount also include street maintenance which is about \$12,000 a year. The Chamber's funding request shows an increase over last year's request. Mr. Winters states that the Chamber of Commerce provides administrative support for Crime Stoppers, the Farmers Market, and assist with the Adult & Youth Leadership Programs. Funding at this level will include the City of Union as co-sponsors in any and all Chamber events and activities throughout the entire year.

Paul Winters, Director of the Union County Agricultural Fair addressed council. He thanked council for their past support. Last year's funding was used for marketing attraction. The Union County Fair is requesting funding in the amount of \$15,000 to fund the attractions and musical entertainment and the facility upgrade. Mr. Winters reviewed entertainment & attractions from the 2014 Union County Fair. Anticipated dates for the Union County Fair are October 13-17, 2015.

Letitia Wages, Coordinator for Youth Leadership Union addressed council. She and the (15) members of the Youth Leadership Union County Class of 2015 thank 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 level of funding as last year in the amount of \$5,000.

Lewis Jeter, Business Consultant for Union Small Business Development Center, along with Larry Stevens, Director of the S.C. Small Business Development Center addressed council. They thanked council for last year's funding. In 2014, the Winthrop Region Small Business Development Center was fortunate enough to open an SBDC office in downtown Union. The SBDC 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. SBDC is requesting funding in the amount of \$5,000. All of the funds allocated will be used to further the programs previously stated in their request.

The Finance Director continued the budget worksession discussing factors contributing to the general fund's expenditures. Personnel changes has a request for an Assistant Utility Director. There is not a cost of living adjustment increase for employees in the proposed budget. A 1% COLA will increase the total budget by \$70,000. Health insurance & retirement cost were reviewed. Health insurance has an anticipated increase of 3.4% effective January 1, 2016. Retirement cost – employer part- shows an increase of 11.06% for members in the SCRS and 13.74% for members in PORS effective July 1, 2015.

Next he discussed the Tax Increment District. This became effective December 1993. It was amended on March 16, 2004 to include City Park and the Union Mill property. It has been extended until June 30, 2024. The amendment allowed the City to undertake 1 of 3 projects- educational building to be used by various agencies; multipurpose facility to be used by various agencies and recreational facility/community center.

Kim Lawson, Chairperson for the Uniquely Union Festival addressed council. She thanks council for their past support. The purpose of the Uniquely Union Festival is to showcase Union County & the City of Union with a free event that serves as an educational, artistic and recreational outlet for all attendees. The festival is an attraction for local citizens as well as regional, national, and international visitors. Tentative dates for the Uniquely Union Festival are September 11-12, 2015. Uniquely Union is requesting funding in the amount of \$30,000. Road blocks for the festival was discussed regarding potential emergency situations in the downtown area during the festival.

Bennie Giles, President of the Union Arts Council and Amber Ivey, Coordinator of the Union Arts Council addressed council. They thanked council for their past support and funding. After the re-opening of the Arts Council, they now have a gallery that allows them to exhibit art and offer programs for very young children all the way to exhibits and work by adult professionals. The Arts Council is requesting funding in the amount of \$15,000, an increase over last year's request.

Amy Smith, Executive Director of the Union County Department of Disabilities & Special Needs and Dawn Childers addressed council. The Union County DSN Board, in coordination with Union Services, provides a variety of services for individuals with disabilities and special needs. DSN serves over 300 clients. Their funding request is at the same level as last year's request in the amount of \$1,000. A primary program administered by this agency is Work Services. The agency serves approximately 82 adults on a daily basis for this program.

The Finance Director continued the budget worksession by reviewing the budget request worksheet from outside agencies for FY 2015-2016.

Catherine Childers, Executive Director of Union County First Steps addressed council. Union County First Steps is a non-profit organization that was established as a public-private partnership to address the needs of the local community as they relate to preparing young children for school. In Union County, they provide a variety of services and programs that work towards this common goal. Ms. Childers states that First Steps appreciate their past support & request that the City again fund the program in the amount of \$1,000.

After presentation from Union County First Steps, the Finance Director continued budget requests from outside agencies.

Raymond Sligh of the Union County Antique Farm Show addressed council. He states that in the years past, this show has attracted some 2,100 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, beekeeping, cotton gin and much more. Funds would help to advertise in larger areas, public events more fully, update signage and offer more incentives. They are requesting funding in the amount of \$5,000.

The Finance Director briefly discussed the Super 10 Building renovation. O & M funds can be used to fund this project.

Curtis Hunter, Executive Director of the Union County Tourism Commission addressed council. She discussed the AG & ART Tour. This event will be held June 27-28, 2015. This event is a free, self-guided tour of South Carolina's Catawba Regional farms featuring local artisans and farmer's market. It is the largest free farm tour in the nation and has drawn over 16,000 visitors since it began in 2012. The Union County Tourism Commission has applied for a grant for a project called "The Piedmont Physic Garden". This garden is located at the corner of E. South Street & South Mountain Street in Union, SC. A ribbon-cutting for the "Piedmont Physic Garden" will be held on May 9, 2015. This project is being spear-headed by Taccoa Switzer. The Piedmont Physic Garden is requesting funding in the amount of \$10,000 to assist with the cost for surveying and for the master plan.

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. The Olde English District promotes a total of 7 counties. They are requesting funding in the amount of \$6,702.00.

Andrena Powell-Baker, Director of the Development Board addressed council. She discussed major accomplishments for past years. Ms. Powell-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. She gave a 2014 recap of the Board highlights. She discussed the 2015 Priorities List for 2015 such as marketing Union County's best assets. She announced that Joe Nichols, Utility Director and Chairman of the Union County Economic Development Board was named 2014 Ambassador for Union County by the S.C. Department of Commerce. The Development Board is requesting funding in the amount of \$15,000.

Reverend James A. Williams, 1st Vice President of the Union County NAACP addressed Council. Reverend Williams thanked council for their past support. The NAACP is requesting funding in the amount of \$2,200 to fund the MLK Day Celebration which is held the third Monday every year in January. Reverend Williams announced that the Freedom Fund Banquet will be held May 2, 2015 at 6:00 p.m. at the Pacolet River Association Building and hope that Mayor & City Council will attend.

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. The library is requesting funding in the amount of \$3,000 to be used for community programming and operating expenses. They have upgraded computers and are open longer hours to serve the public.

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 including vehicles owned by the Union Housing Authority. His department performs daily minor and major repairs.

Perry Harmon, Public Service Director addressed council. This department handles 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. There is \$20,000 in the proposed budget for sidewalk repairs. Solid waste division services provided are roll-out carts, brush and bulk waste pickup. Kenwood Landfill has closed. Mr. Harmon discussed replacement of equipment for street and solid waste and cost over the next three years.

Lynn Mornane, Chairman of Meals on Wheels, gave presentation on Union County Meals on Wheels Organization. They are dedicated to serving residents in Union and Buffalo. During 2014, they have served 22,228 meals at a cost of more than \$72,000. They are requesting funding for 3 months to deliver meals. Meals on Wheels are also seeking other options for meal preparation pending the outcome of Wallace Thomson Hospital negotiation with Spartanburg Regional. The hospital, along with Midway Barbecue prepares meal for clients.

Scott Sandor, YMCA Director addressed Council. They currently have over 2,000 members. There are 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.

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 for local government. SCMIT member's benefits were reviewed. There are no budget requests for the Legislative Department. The rising cost of worker's compensation was discussed and additional ways to reduce cost.

Perry Haney, Chairperson of Union Crime Stoppers, addressed council. Mr. Haney states that they could not operate this successful crime fighting program without the continued support of donors. They are requesting funding in the amount of \$1,000.

Bill Moore, USC-Union and the Up Country Literary Festival addressed council. Mr. Moore thanked council for their past support. Through generous contributions like those provided by the City of Union, USC-Union is able to keep the event free and open to the public while providing an appropriate venue for the sharing of culture, appreciation of literature & literacy, and learning. They are requesting funding in the amount of \$1,000.

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 2015-2016. The City of Union receives a franchise fee payment quarterly from Charter Communications for the Cable Television franchise ordinance which is 5% on gross.

Deborah A. Greene, President of the Friends of the Library addressed council. They are located at 126 East Main Street (old Green Salvage building). Friends of the Library are requesting financial aid in the amount of \$10,000 to supplement the refurbishing of the roof on the building. The building was donated to the Friends of the Library by Taggart & Associates last year, but they have found a major problem with its roof and must fix it as soon as possible with little time to cover the cost through regular fund-raising options.

Mayor & Council reviewed budget expenditures request for all outside agencies. They will be funded at the following levels:

- Union County Economic Development	\$15,000
- 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	1,000
- Federation of the Blind	480
- Union County First Steps	1,000
- S.C. SBDC	3,000
- Meals On Wheels	4,000
- Rental Assistant – Flynn Bld.	15,600
- Friends Of the Library	7,500
*** (contingent on roof replacement)	
- YMCA Partnership	21,380
- Parking Lot Lease	0
- YMCA Facilities Maintenance	25,650
- Chamber of Commerce	35,720
- YMCA	60,000
- Utilities	8,000

Next the Finance Director discussed the estimated fund balance for the Local Hospitality & Accommodations Tax. The total projected revenue for FY 2015- 2016 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 Tour & Rec. Facilities		218,560
- Special Events		50,000
- Olde English District		2,200
- Union County Historical Society		26,000
- Union County Fair Association		5,000
- Union County Antique		2,500
- Up Country Literary Festival		1,000

The budget worksession will resume Tuesday morning, April 14, 2015 at 9:00 am.

Budget worksession adjourned at 5:00 p.m.

TUESDAY, APRIL 14, 2015

The budget work session continued on Tuesday, April 14, 2015 at 9:00 A.M. in the City Municipal building with the following present:

COUNCIL: Mayor Harold Thompson; Mayor Pro Tem Robert Garner; Councilmembers Tommy Anthony, Yates Giles, Ricky Todd Harris and James Wilson.

DEPARTMENTAL STAFF: Gloria Rogers – Municipal Clerk/Personnel Director; Sam White, - Public Safety Director, Perry Harmon – Public Service Director; Joe Nichols – Utility Director; Mike Petrie – Maintenance Shop Director; Laura Hembree – Accounting Supervisor, Melissa Lawson – Media Technology, Barbara Crayne – Business License Coordinator and Gregg Pickens – Captain. Walker Gallman – Finance Director was absent due to illness.

NEWS MEDIA: None

OTHERS: None

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

Barbara Crayne, Building License Coordinator addressed council. She reviewed the Planning Department's mission statement. Next she reviewed the organization chart for this department. Ms. Crayne discussed the Planning Department's goals & objectives. She discussed new construction; number of permits issued and business license issued. Sub-standard structure and public nuisance was also discussed. A request for new software for permitting & business licensing is included in this year's budget.

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 2 part-time employees. Body cameras for public safety officers were discussed. Chief White discussed the L-3 Mobile Evision (less expensive) vs. the Viewu body cameras. Tasers were also discussed. There is a request in the budget to replace 20 tasers. Chief White reviewed a radio issue in his department. The radio chargers were not compatible with radios. Charges are being replaced. A replacement vehicle was discussed for the Public Safety Department. The 2003 Ford Crown Victoria will be replaced with a Ford Sedan . The addition of one Tahoe to patrol fleet as part of a 6 year plan is included in his budget. Next the Chief discussed the Drug Medication Surrender Box Program. To date, his department has taken in approximately 50 pounds of surrendered medications. The Public Safety Department continues to promote the Eddie Eagle Gun Safety Classes at elementary schools. There were also field trips to the fire department by schools. Public Safety would like to involve clients at DSN Special Needs Home with the fire safety program. Chief White also made a presentation for a request to purchase a roll and rack power roller for firehose. This would eliminate back issues when handling during fires.

Accounting Supervisor Laura Hembree addressed council. She discussed the organizational chart for the Finance & Utility Billing. 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. The utility billing department has an operating budget of \$220,300. 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 was discussed. There is an increase in the equipment lease line item for lease payments on servers and a decrease in the Professional Services line item due to collection of 2% card payment fee. She discussed disconnection during the winter months, even though the City's policy to not cut off electric and gas when the temperature is 30 degrees or below; this does not apply to

water cutoffs. Customers on oxygen were discussed. These customers are given special consideration such as door hangers or an extra day or so after being notified of cut-off.

Utility Director Joe Nichols presented the Utility Department Budget. He reviewed organizational chart for employees in this department. His request include an Assistant Utility Director whose main focus would be on water and sewer and working in the field. Mr. Nichols discussed the electric distribution system and the total power cost. Lockhart Power PP charges comparison was discussed and the City of Union electric cost of service. 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 discussed, as well as water districts annual consumption. Comparison of water rate study was presented. Capital Improvements for water and wastewater were also presented. The top 5 wastewater customers were discussed. The natural gas distribution system was discussed and PGA. Lastly, Mr. Nichols reviewed completed projects for utilities.

Mayor Thompson & City Council reviewed the following budget items for Consideration and made the following recommendations.

- Cost of Living Adjustment	2%
- Addition of Assistant Utility Director Effective January 1, 2016	Approved
- Friends of the Library - ***approve contingent on roof replacement	\$7,500
- Uniquely Union Festival Committee ***Add Councilmember to Committee	
- Increase insurance supplement by \$25	
- GPS (pilot program)	\$29/month
- 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	1,000
- Federation of the Blind	480
- 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

MOTION by Mayor Pro Tem Garner to go out of the budget worksession into executive session to discuss a personnel issue.

SECOND by Councilmember Harris.

CARRIED UNANIMOUSLY.

MOTION by Councilmember Sloss to go out of executive session back into the budget worksession.

SECOND by Councilmember Giles

CARRIED UNANIMOUSLY.

MOTION by Mayor Pro Garner to increase the Mayor's salary to \$65,000 which takes effect after the next general election November 2016.

Budget Work Session
April 13-14, 2015

SECOND by Councilmember Giles.
CARRIED UNANIMOUSLY.

Budget recommendations will be incorporated in the FY2015-2016 proposed budget.

Budget worksession adjourned at 3:58 P.M.

Gloria J. Rogers, Municipal Clerk

Minutes Approved _____ 2015