

**MINUTES  
BUDGET WORK SESSION  
MONDAY, MARCH 30, 2020  
4:00 PM**

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[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 (c) ]

A budget work session was held on Monday, March 30, 2020 at 4.00 pm 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/HR Director; Joe Nichols – City Administrator; Laura Hembree – Finance Director; Leroy Edwards – Maintenance Shop Director; Dwayne Hardy – Public Service Director and Kathy Teague - Business License Coordinator

**NEWS MEDIA:** None

Mayor Thompson called the meeting to order and gave the invocation. The Pledge of Allegiance was given by all. The roll was called by Municipal Clerk Gloria Rogers

**OTHERS:** None

Attorney Lawrence Flynn did a presentation regarding the Bailey Bill by a conference call. Mr. Flynn states that S.C. state legislation enacted in 2004 as a local real estate tax incentive for rehabilitation of historic property. It freezes the taxable assessed value of property for up to 20 years following a minimum investment threshold, review and approval of the project, and successful completion of the project within two years. City Council passed the Bailey Bill by ordinance on January 15, 1991.

Next Finance Director Laura Hembree discussed budget considerations for FY 2020-2021 for outside agencies. They will be funded at the following level:

- Utility Service Partners	\$ 8,000
- Union County Economic Development	10,000
- Youth Leadership	4,000
- UCDSN	1,000
- Union County Carnegie Library	-
- NAACP	1,250
- Union County Crime Stoppers	750
- Federation of the Blind	550
- Union County First Steps	650
- SC SBDC	2,400
- Meals On Wheels	5,000
- Union County 4-H	2,000
- RISE	-
- Bantam Bikes	-
- Union County Jail Facility	-
- Main Street Awning Project	
- Union County Rescue Squad	
- Show & Shine Car Show	750
- Rental Assistance – Flynn Building	15,600
- Special Events	-
- YMCA Partnership	20,000

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- Parking Lot Lease	1,420
- YMCA Facilities Maintenance	20,000
- Union Chamber of Commerce	40,000
- Union County YMCA	60,000
- Utilities	<u>7,000</u>
<b>TOTAL</b>	<b>\$200,370</b>

Jami Trammell, Executive Director of the Chamber of Commerce addressed council by conference call. Mrs. Trammel presented a PowerPoint presentation of their 2019-2020 accomplishments, which she states that none would have been possible without the support of the City of Union. Also she discussed the Uniquely Union Festival coming back to Main Street possibly in the spring of next year. Councilmember Sloss would like to see Uniquely Union partnership with the Union County Arts Council to showcase the Artisans similar to what Maggie Valley, NC does. She is requesting the same level of funding as last year in the amount of \$40,000. Jami is also the Coordinator for Youth Leadership Union. She is requesting the same level of funding as last year in the amount of \$5,000.

Councilmember Morgan suggested putting high school senior pictures around town because there is a possibility that they may not have graduation due to the Covid-19 pandemic. Councilmember Sloss suggest the fathead posters and maybe place them at stadium. Jamie Trammell called in with a price of \$20 per poster with a total price of \$5,400. Also council discussed putting pictures on billboard across from South State Bank. Mayor Thompson states that council could discuss this subject a little more.

The following agencies will be funded from the Hospitality & Accommodations Tax at the following level:

- Union County Carnegie Library	\$ 10,000
- Uniquely Union	30,000
- Union County Arts Council	12,500
- Union County Tourism	24,080
- O & M – Tourism/Rec. Facilities	113,200
- Union County Antique Farm Show	2,000
- USCU Upcountry Liberty Festival	-
- Main Street Junction	100,350
- Piedmont Physic Garden	5,000
- Farm and Craft Market	-
- Ag & Art Tour	-
- Union Co. 4-H Livestock Show	1,500
- Palmetto & Walker Days	17,500
- Environmental Arts/Music Festival	-
- Main Street Park Project	50,000
- Special Events	5,000
- Old English District	2,200
- Union County Historical Society (2 Sat. a month)	45,000
- Union County Fair Association	<u>5,000</u>
<b>TOTAL</b>	<b>\$438,000</b>

Fleet Maintenance Director Leroy Edwards presented his department's budget. A total of 4 employees work in this department. The shop maintains over 320 pieces of equipment owned by the City of Union from grass trimmers to Class 8 heavy trucks. They have a preventive maintenance program to service vehicles every 5000 miles. Also they perform minor, as well as major repairs, mount and balance tires, perform welding and fabrication work. Also they service and maintain the Union Housing Authority vehicles which the City receives reimbursement. Mr. Edwards states that he is a certified CDL license examiner so therefore he is able to test and issue CDL license. In the last year they have made 916 repairs, averaging over 84 repairs a month. The Fleet Maintenance Director further states that the shop building itself is getting too small for some of the equipment such as the garbage truck and line trucks. It has 12 foot doors

and some of the equipment will not fit inside. This means that they have to work on the outside and be subject to the changing weather conditions. Although they are not requesting anything this year, he states that it would be to the City's benefit to have a larger building to accommodate the growing fleet, as well as keeping the vehicles and employees out of the weather. Mayor Pro Tem Garner asked the Fleet Maintenance Director if council could assist him such as getting a large metal building so at least they could have a top over them to cover employees while working in bad weather. The Fleet Maintenance Director states that it would help by putting it between the two buildings.

Kathy Teague, Business License Coordinator addressed Council regarding the Planning Department. She reviewed this department's organization chart and states that FY 2020 has a total budget of \$343,240. The department is budgeted for 3 employees. Next she reviewed goals and objectives for this department such as continue work to condemn substandard structures, rid public nuisance from improved lots, remove abandon/derelict vehicles and bring signs into compliance. Other items reviewed were permits issued and new residential construction, demolitions and new businesses. Data Max was also reviewed. They have collected \$198,797 since July 2018 to present in business licenses. The Business License Coordinator states that owners of abandon property will come in and get permits to fix up property and will keep getting permits after they get a certified letter for condemnation. Councilmember Morgan asked if council can put a time limit on the use of permit. Councilmember Anthony asked if an ordinance could be put in place. Councilmember Morgan asked if this could be put on the agenda for next the council meeting.

Public Service Dwayne Hardy addressed City Council. He is requesting a commercial mower to replace the 2011 grasshopper with a John Deere Z920 M Z Tractor in the amount of \$9,512.41. On the Sanitation side he is requesting a load of garbage carts (624) in the amount of \$29,282. Mayor Pro Tem Garner is concerned about the number of garbage carts that the Public Service Director is requesting. The Public Service Director states that some customers has two carts, some crush carts,, burn them and put everything inside of them and will not keep them clean. They also will say that something happened to the top of garbage cart or wheels come off and request another one. The Public Service Director discussed his staff of ten employees and the additional duties of taking care of Main Street since the retirement of the part-time worker for the Chamber of Commerce. Mr. Hardy suggests giving the \$12,000 back to the Chamber of Commerce due to the reduction of his staff by one. Mayor Pro Tem Garner states that it would be better to approach Jamie Trammel to see if she could get a part-time employee because it would cost the City less for her to hire someone, as before, because the City would have to pay retirement and other benefits. He also states that City would support the Chamber during special events. The City Administrator states that during this budget year all purchasing will be cut. Also the Public Service Director discussed the Housing Authority. They would need to come up with a way to get rid of garbage when renters have inspection or move out. Mayor Pro Tem suggests talking with Robbie Littlejohn about them getting a roll-off dumpster.

General fund revenue summary was discussed. Revenue show a decrease in the amount of \$67,260 from last year's budget

Next the Finance Director discussed budget considerations for fiscal year 2021 general fund which included the following:

- Personnel
- Effects of Covid-19
- Outside organization
- Hospitality & Accommodations
- Main Street Junction
- Solid Waste Management
- Electric, Water, Sewer, Natural Gas Utilities
- Tax Increment District

All funds summary was reviewed which shows an increase of 2.73%. There is currently no premium increase anticipated for employers for calendar year 2021. Workman's

compensation cost saw a significant decrease for calendar year 2016 through 2019. Claims were down dramatically. Retirement costs – employer part – will increase for FY 2021 by 1%. Employer cost will increase to 16.56% for SCRS & 19.24% for members in the PORS. Total Retirement Cost Proposed for FY 21 is \$1,194,930. There is a hiring freeze for FY 2020/2021. Employee loss through attrition was the retirement of a Public Service Director through retirement. The GPS contract was discussed which is \$31,200 is annually. This can be reduced.

City Administrator states that the City is paying \$46,000 a year to Gregory Pest Control. The contract starts in April. He discussed ways to reduce the contract with Gregory Pest Control by spraying every other month or not put the lava bricks in the storm drains. He will get a price on this.

Next the Finance Director discussed Equipment and Improvement for consideration:

**City Hall & City Buildings**

- Bathroom & Window Improvements @ YMCA - \$18,000
- HVAC Controls @ City Hall - \$25,000

**Public Safety**

- Restraint Devices - \$23,500
- (8) Equipped Portable Radios- 20,000
- (4) SCBA Devices - \$36,000
- (18) In-Car Laptops (lease) & Docking Stations - \$54,900
- (30) Downtown/Foster Park Cameras - \$45,000

**Utility Administration**

- Wide Format Printer (mapping) - \$20,000
- ESRI Cloud Base (mapping) - \$12,000

**GPS Contract**

- Currently \$ 31,200 annually

The Finance Director discussed construction projects in the budget as follows:

- Electric - \$398,00
- Water - \$1,433,950
- Wastewater - \$3,194,900
- Natural Gas - \$593,000
- Warehouse - \$369,900 – (\$80,00 is for roof)- remainder is for possible relocation

Item removed from the budget are as follows:

**City Hall**

- Carpet - \$78,000

**Public Safety**

- Investigator I Position Request - \$66,710)
- (4) Vehicles equipped - \$198,400

**Street Department**

- Mower - \$9,600

**Solid Waste**

- 500 Garbage Carts - \$29,290
- Sidewinder Garbage Truck - \$275,970) (financing)

**Electric**

- Construction -- \$60,000)
- Skid Steer - \$120,000

**Water**

- Construction - \$350,000
- Service Truck - \$35,000
- Attachments/Jackhammer for Mini - \$10,000

**Sewer**

- Construction - \$423,000
- Service Truck - \$45,000)

**Gas**

- Standby Truck - \$45,00

- Skid Steer - \$60,00

**Warehouse**

- Vac Truck - \$400,000

Next property taxes were discussed. 2020 is a reassessment year. Assessment values will directly affect the tax revenue for FY 2021. Millage was increased last year but the Finance Director does not recommend doing a millage increase this year. Local Option Sales tax was also reviewed. The City receives two checks, one for the property tax credit fund and the other for the revenue fund. Vehicle taxes and payment in lieu of taxes were also discussed.

The Finance Director also discussed the following:

- Business License
- Intergovernmental Revenue
- State Collected Taxes
- General Fund Expenditures By Type

The General Fund Summary was reviewed.

Next she discussed factors contributing to the general fund's expenditures:

- General Administration – increase of \$26,370, due to a 6.9% increase in general liability insurance premiums
- Legislative – decrease of \$47,970 due to the reduction of the Mayor's salary
- Community Services – Requests decreased by \$7,140
- City Court – increase by \$34,780 due to an equipment need and an increase in the bailiff's salary after wage and comp study but bailiff not working as many hours as anticipated
- City Facilities Maintenance – decreased by 69%. Funds to replace the carpet at City Hall are being deferred to FY 2022. Funds in this department are used for maintenance of City buildings to include utilities at City Hall
- Public Safety – increase of 6% or \$224,910 due to increased salaries after the wage & comp study implementation, and also equipment needs.
- Street Department – decrease of 18% due to the retirement of the Public Service Director. Plans are to continue to use funds in the department to supplement "C" funds for street and sidewalk repair
- Planning – increase of 26%. Additional funds are proposed for the demolition of sub-standard housing. Plans are the continued use of an outside planner

Councilmember Morgan asked about funding for sidewalks. City Administrator states that SCDOT is giving the City \$10,000 this year to do sidewalk and he states the City will put \$10,000 in the budget each year for sidewalk repair.

The Finance Director discussed Main Street Junction. She states that council needs to decide what they want to do regarding hiring someone and their salary. This budget does include the Director and the part-time employees.

City Council discussed an incentive for the hiring and retaining Public Safety Officers.

The Finance Director discussed Solid Waste Management. It was established in 1995. Current the City charge \$17 per month. An additional \$1 a month would generate approximately \$48,000 of revenue a year. She also states that equipment request is not included in the SWM but will be budgeted. The total revenue remains unchanged because the customer base has not grown; however, expenses are growing because of the cost to operate. Projected retained earnings are approximately \$72,500. This deficit will decrease fund balance by 73%. The City will have how to decide how to go forward with Solid Waste Management.

The Utility Enterprise Fund was briefly reviewed by the Finance Director.

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- Electric rates – PMPA and LPC – why the PPA and how it is calculated; changes in electric industry
- Water system over 100 years old
- Sewer system over 100 years old
- Natural Gas

Lastly Tax Increment was reviewed. She states that it became effective December 1993 and was amended on March 16, 2004 to include City Park and the Union Mill property. It has been extended until June 30, 2024.

Mayor Thompson states that the continuation of the budget work session will be held on Tuesday, March 31, 2020 beginning at 4.00 p.m.

**MOTION** by Councilmember Sloss to adjourn.

**SECOND** by Councilmember Craig

**CARRIED UNANIMIOUSLY**

Budget worksession adjourned at 8: 40 pm.

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Gloria J. Rogers, Certified Municipal Clerk

Minutes approved \_\_\_\_\_ 2020