

**MINUTES
SPECIAL COUNCIL MEETING
MONDAY, APRIL 21, 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 special council meeting was held on Monday, April 21, 2014 at 9:00 A.M. in the City Municipal building with the following present:

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

DEPARTMENT STAFF: Gloria Rogers – Personnel Director/Clerk; Walker Gallman – Finance Director; Joe Nichols – Utility Director; Perry Harmon- Public Service Director; Mike Petrie – Maintenance Shop Director; Laura Hembree – Accounting Supervisor ; Melissa Lawson - Media Technology Coordinator and Sam White – Public Safety Director.

NEWS MEDIA: Charles Warner – Union Times and Mike Stevens – WBCU

1. CALL TO ORDER:

Mayor Thompson called meeting to order. He gave the invocation. Municipal Clerk Rogers called the roll.

2. BUSINESS

A. Mayor Thompson states that during the budget worksession, there was an issue that was overlooked that he needs to bring before council. He states that the Development Board Director requested a \$5,000 increase over last year's request for funding. The Mayor has talked with the Finance Director and there is funding available.

Finance Director Walker Gallman states that he has gone back and appropriated the changes that City Council asked to be changed during the budget worksession. Also there are (2) two positions that was left off in the Public Safety Department's request. Mr. Gallman discussed the following items:

- All Funds Summary total for proposed budget is \$45,357,040 shows an increase of 8.3% over last year's budget
- General Fund shows a decrease; will almost break even from last year
- Hospitality & Accommodations shows an increase of 4%
- PMPA Promotional shows an increase of 66%
- City of Union Drug Fund has a balance of \$6,000. Funds has to be used for law enforcement activity
- Community Change Fund shows a 20% increase over last year's request
- Tax Increment District remains unchanged
- Union Events Center; insurance funds from where the old high school burned; \$100,000 has been spent from this account. The account has bond proceeds in the amount of \$850,000
- Combined Utility Fund shows an increase of 10.5%

- Solid Waste Management shows an decrease of 1.2%

The Finance Director discussed the general fund summary. There is a 2% decrease in the FY2015 proposed budget which totals \$5,704,070. Next the Finance Director did a recap of personnel issues that were discussed during the budget worksession.

- The cost of general insurance for tort & liability is driving the general administrative budget's increase
- Cost of city attorney in the legislative budget is the cause for increase. There is no longer a city attorney's account
- City court shows an increase of 8.8%
- (2) Part-time employees in the Union Connection; funding for these positions did not increase
- Health insurance increase of 4.05% for both employer & employees – effective January 1, 2015.
- Workman's compensation insurance experience rating; 40% increase per year effective January 1, 2014. Deductible is \$25,000 per occurrence.
- 2% increase for COLA recommended by Archer Company; council recommendation is 1% COLA
- Retirement increase for employer and employee effective July1, 2014

The Finance Director discussed Local Hospitality & Accommodations Fund. The total projected revenue for this fund for FY2015 is \$390,000. S.C. Code of Laws section 12-36-230 establishes the 2% accommodations tax that is collected by state and remitted back to local governments. The projected revenue for FY2015 accommodations tax is \$64,000. PMPA promotional fund was discussed. The total funds appropriated for each city is \$20,000, but the City receives only \$16,875. \$3,125 is paid to the Upstate Alliance on the City's behalf. PMPA suggest that funds be used for economic development, but funding is controlled by City Council. Council, if desired, could deposit PMPA funds in the general fund as just another source of revenue funding. Council's recommendation is to fund the Development Board in the amount of \$15,000.

Utility Director Joe Nichols informed council that the agreement with ESAB is about to end. Also the Timken Industrial Services Building lease agreement is for 10 years. This funding can be put in an economic development fund if Timken continues to lease the building when lease ends.

Finance Director Walker Gallman discussed the following:

- \$576,190 deficit in the general fund summary; tax increase by 1.7 mills as allowed by law equals to \$24,650
- Taxes to offset prior year deficit (\$100,000 home)
- UPSD is requesting (3) three vehicles; (2) two are replacements; included in proposed budget
- Solid waste management propose to increase monthly fee by \$1 to balance budget; \$1 per month is approximately \$48,200
- Utility fund will be balanced with the use of retained earnings
- Water rates will increase by 8% to offset a base rate deficiency of \$33.22%
- Sewer rates will increase by 10% to offset a base rate deficiency of \$84.32%
- Implement fee for credit card use; no fee has been passed on to customer since City began accepting cards in 2005
- Two (2) cars for meter reading – replacing a 2002 Chevy S-10 (#701) & a 2001 Chevy Pickup (#704) is included in proposed budget
- Request for line truck & service truck for the electric division is included in proposed budget

- Request for pick-up truck and mower in sewer division is included in proposed budget
- Request for truck in the gas division is included in the budget
- Request for pick-up truck for warehouse is in proposed budget; mini compact excavator will be taken out of funding request

Councilmember Ricky Harris discussed the Upstate Alliance funding as to what the City gets out of being a member. Mayor Thompson states that the City needs to be a part of the Upstate Alliance; the City of Union is one of the (10) ten counties in the upstate region; promotion of counties is more of a regional concept and not individually. There are advantages to being a part of the Upstate Alliance. Mayor Thompson states that he will invite the new Upstate Alliance Director to the next regular council meeting to explain in detail what their agency provides to the cities. Councilmember Harris discussed fire truck replacement. He asked Mayor Thompson if he could check with Robby Moody of CRPC regarding the availability of municipal government grants for fire trucks purchase.

Mayor Thompson discussed a request made at the April regular meeting regarding a funding request for the Union County Family Fest to be held May 2-4, 2014 at the fairgrounds. This item was tabled at the April regular meeting. The Mayor states that the City could not fund the whole amount but would match whatever funding the County provides. He states that there may be a potential issue with church and state but he sees it as promotion for anti-bullying and a way to help kids in school. Mayor Thompson states that this item will be brought back at the regular meeting, to be approved by council.

Special meeting adjourned at 10:10 A.M.

Gloria J. Rogers, Municipal Clerk

Minutes Approved _____ 2014