

**MINUTES  
BUDGET WORK SESSION  
MONDAY, APRIL 1, 2019  
5:00 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 (e).}

The budget work session continued on Monday, April 1, 2019 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.

**CITY ATTORNEY:** Larry Flynn

**DEPARTMENTAL STAFF:** Gloria Rogers – Municipal Clerk/Personnel Director; Robby McGee - Captain, Kenny Thomas – Public Service Director; Laura Hembree – Finance Director; Joe Nichols – Utility Director, Leroy Edwards – Maintenance Shop Director; Rebecca Lance – Accounting Supervisor; Melissa Youngblood – Media IT Director; DeWayne Hardy – Public Service Supervisor and Kathy Teague – Business License Coordinator

**NEWS MEDIA:** Mike Stevens – WBCU Radio (attended briefly)

**OTHERS:** Rieta Drinkwine

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.

Mayor Thompson states that the USC - Union will hold a Spring Fling on Thursday, April 18, 2019 and has invited the City of Union to participate in the Food Truck lunch. The City has been an active partner in this event for the past three years by purchasing tickets for its employees. Food vendors Fuddruckers, Bruster's and Chick-Fil-A are invited and the estimated cost is \$12 per person. Council is asked to support this event and authorize the Mayor to purchase tickets for City employees.

**MOTION** by Mayor Pro Tem Garner to participate in the USC-Union Spring Fling  
**SECOND** by Councilmember Anthony  
**CARRIED UNANIMOUSLY**

Rieta Drinkwine, Director of Union County Carnegie Library addressed council. She states that the library has hosted 138 programs and events within the City of Union since July 1, 2018. Also she states that on September 8<sup>th</sup>, 2018 the library re-opened after completing a \$2.3 million renovation and restoration, using \$500,000 in tax credits UCLS is the first library in the state to utilize tax credit funding. The USC Union library merged into the Union County Library System in September 2018 with UCLS receiving \$515,000 over 5 years. Since June 2018, Assistant Director Taylor Atkinson, a certified Mental Health First Aid adult instructor, has taught 5 classes and certified over 75 people to be Mental Health First Aiders within the City, including a number of City employees. She is requesting funding in the amount of \$10,000 from Economic Development & Hospitality and Accommodations funds. These funds will be used for library programming and to hire a Program Assistant 20% match from First Steps

Councilmember Sloss asked Ms. Drinkwine to keep up with numbers from out of town visitors during the Genealogy Collection.

Laura Hembree, Finance Director presented the Finance & Utility Billing budget. She reviewed the organizational chart of employees. The Finance Department has an operating budget of \$493,270. The department currently has five (5) employees. The Utility Billing Department has an operating budget of \$704,110 and currently has (8) employees. Other items discussed:

- Utility Payment Options – City Hall; Mail; Credit Card; Automatic Bank Draft or Online
- Debt Setoff Program
- Red Flag
- Deposits

There is an increase of \$3,050 for computer leases for half of the Finance Department's PC's and an increase of \$850 for computer leases for half of the Utility Billing Department's PC's. There is a reduction in the Communications line item due to QS 1 printing and mailing utility bills from their office in Spartanburg. Mayor Pro Tem Garner asked has the Finance Director if the situation has gotten better at City Hall regarding irate customers since PSO's are at City Hall on a daily basis. Ms. Hembree states that it has gotten better.

Laura Hembree, Finance Director discussed Main Street Junction. In the past year, 46 out of 52 weekends have been booked for events. New signage is going up outside. The Great Room is in the process of being renamed the Milliken Room. Grants from the Timken Foundation & Lockhart Power have allowed for the Great Room, kitchen and bridal parlor to be furnished and beautifully decorated. An office space on the second floor is currently being rented. Alison South Marketing is in the process of developing a website for MSJ. The amount of \$90,000 is proposed to be transferred from the Accommodations & Hospitality Taxes.

Utility Director Joe Nichols presented the Utility Department budget. He reviewed the organizational chart for employees in this department. 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 was discussed. PGA was discussed. Capital improvements for warehouse were discussed and completed projects for 2018-19 were discussed. The CDBG Projects were reviewed. The Utility has requested the following vehicles:

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|--|----------|
| - Service Truck in the Electric Division -     | \$46,000 |
| - Pickup Truck in the Water Division -         | \$30,000 |
| - Truck in the Sewer Division                  | \$32,000 |
| - Mini Excavator in the Natural Gas Division - | \$80,000 |

Municipal Bonds were briefly discussed. There are no rate increases for FY 2019-2020.

Finance Director Laura Hembree presented the budget overview and revenue projections. She discussed budget considerations for FY year 2019-2020 which includes the following:

- General Fund
- Personnel

- Outside Organization
- Hospitality & Accommodations
- Main Street Junction
- Solid Waste Management
- Electric, Water, Sewer, Natural Gas Utilities
- Tax Increment District

Outside agencies were reviewed. They will be funded at the following levels:

- Utility Service Partners	\$ 5,000
- Union County Economic Development	12,000
- Youth Leadership	5,000
- UCDSN	1,000
- Union County Carnegie Library	3,000
- NAACP	1,480
- Union County Crime Stoppers	750
- Federation of the Blind	550
- Union County First Steps	750
- SC SBDC	3,000
- Meals On Wheels	5,000
- Union County 4-H	2,000
- RISE	10,000 (contingent)
- Bantam Bikes	-
- Union County Jail Facility	5,000
- Main Street Awning Project	32,000
- (Mayor Thompson states that we need agreement from business owners )	
- Union County Rescue Squad	1,000
- Rental Assistance – Flynn Building	15,600
- Special Events	5,000
- YMCA Partnership	20,000
- Parking Lot Lease	1,420
- YMCA Facilities Maintenance	20,000
- Union Chamber of Commerce	40,000
- Union County YMCA	60,000
- Utilities	<u>6,500</u>
TOTAL	\$256,050

The consensus of Council is to send a letter to agencies stating that the City will have a budget cut this FY 2019 -2020 for funding agencies. The City of Union will fund the following City projects from the Accommodations & Hospitality Taxes: Breezeway Downtown, Foster Park including Tennis Court, Doggie Park and Entranceway Signs and Blue Sky Mural.

The following agencies will be funded from the Hospitality & Accommodations Taxes:

- Union County Carnegie Library	-
- Uniquely Union	-
- Union County Arts Council	\$ 10,000
- Union County Tourism	16,500
- O & M – Tourism/Rec. Facilities	121,130
- Union County Antique Farm Show	2,000
- USCU Upcountry Liberty Festival	1,000
- Main Street Junction	90,000
- Piedmont Physic Garden	5,000
- Farm and Craft Market	1,000
- Ag & Art Tour	3,000
- Union Co. 4-H Livestock Show	1,000
- Palmetto & Walker Days	17,500
- Environmental Arts/Music Festival	-
- Main Street Park Project	100,000
- Special Events	10,000

- Old English District	2,200
- Union County Historical Society (2 Sat. a month)	45,000
- Union County Fair Association	<u>5,000</u>
TOTAL	\$445,000

Channel 192 was discussed by City Council. They had a discussion to see if Channel 192 benefiting citizens in the city limits. After discussing, it was the consensus of council to shut this department down.

The Finance Director, along with council, discussed the equipment request for Street and Solid Waste. They discussed refurbishing and going out for financing; however, the Finance Director states that it is not doable unless council raises the garbage fee. Two options were discussed.

Option 1: If you rebuild \$105,000 in the red. Borrow money from utility fund; pay back over a 5-year period.

Option 2: Increase garbage fee in the amount of \$1.00 and borrow money from utility fund, pay back over a 7 year - \$20,000 year

Mayor Thompson asked council to vote on whether or not to raise garbage fee by \$1.00.

**IN FAVOR:** Thompson, Garner, Craig, Sloss

**OPPOSE:** Harris, Morgan, Anthony

**CARRIED UNANIMOUSLY**

**MOTION** by Councilmember Garner to go out of regular session into executive session to discuss a contractual matter

**SECOND** by Councilmember Anthony

**CARRIED UNANIMOUSLY**

**MOTION** by Mayor Pro Tem Garner to go out of executive session back into regular session

**SECOND** by Councilmember Craig

**CARRIED UNANIMOUSLY**

No action taken.

The next budget worksession will be held on Wednesday, April 10, 2019 at 4:00 p.m.

The recommendations will be incorporated in the proposed FY 2019 -2020 budget.

**MOTION** by Mayor Pro Tem to adjourn

**SECOND** by Councilmember Craig

**CARRIED UNANIMOUSLY**

Budget work session adjourned at 10:09 p.m.

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Gloria J. Rogers, Municipal Clerk

Minutes approved \_\_\_\_\_ 2019

